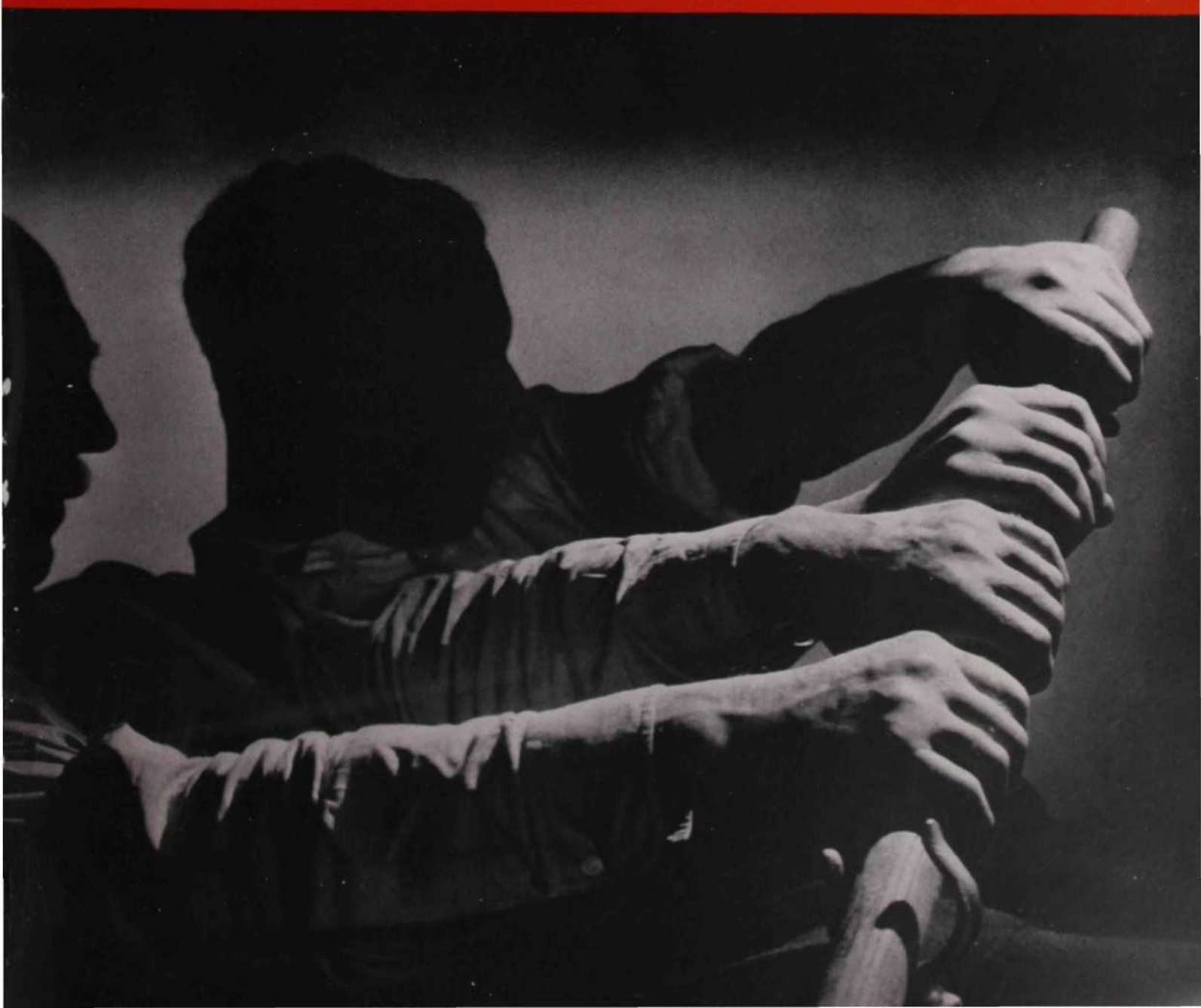
NATION'S BUSINESS

JUNE · 1941





. . . but the teletype passes written words

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THE split-second transfer of a relay baton is a pretty fast exchange. But by teletype you can exchange *messages* any distance, *instantly, in typewritten form!*

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AT the wheel of your *Fluid Drive* Chrysler, you loaf while others work . . . even in heavy traffic!

All about you are men and women, with busy hands and feet, pushing clutches, shifting gears, working their way through traffic tangles.

You're taking it easy . . . because *Fluid Drive* eliminates all that work of driving.

That's why Chrysler's *Fluid Drive* continues to sweep the country! Tens of thousands of Chrysler owners have enjoyed *Fluid Driving* for millions of miles, during the past three years. And in all normal driving, in town or country, they've been free from the work of shifting gears.

When *you* compare *Fluid Driving* with the way you're now driving . . . and find how much smoother and better it is than any car you've ever driven . . . we believe you'll surely want a Chrysler with *Fluid Drive* and Vacamatic transmission!

Try driving that's play instead of work! Chrysler dealers have made special arrangements for your accommodation. You'll be delighted with this new experience . . . and with the low cost of owning a *Fluid Drive* Chrysler!

★ ★ ★

*Delivered in Detroit, Federal tax included. Transportation, and state or local taxes extra. *Fluid Drive* and Vacamatic transmission, available at slight additional cost on Royal and Windsor models. Prices subject to change without notice.

★ Tune in on Major Bowes, C. B. S., Every Thursday, 9 to 10 P. M., E. D. S. T.



Why Chrysler Includes a Safety Clutch with Fluid Drive!
Chrysler's Safety Clutch is like a lifeboat on a ship. You will use it very seldom, but you're mighty glad to have it when you need it. A very valuable safeguard for parking . . . for maneuvering your car in close quarters or dangerous places!

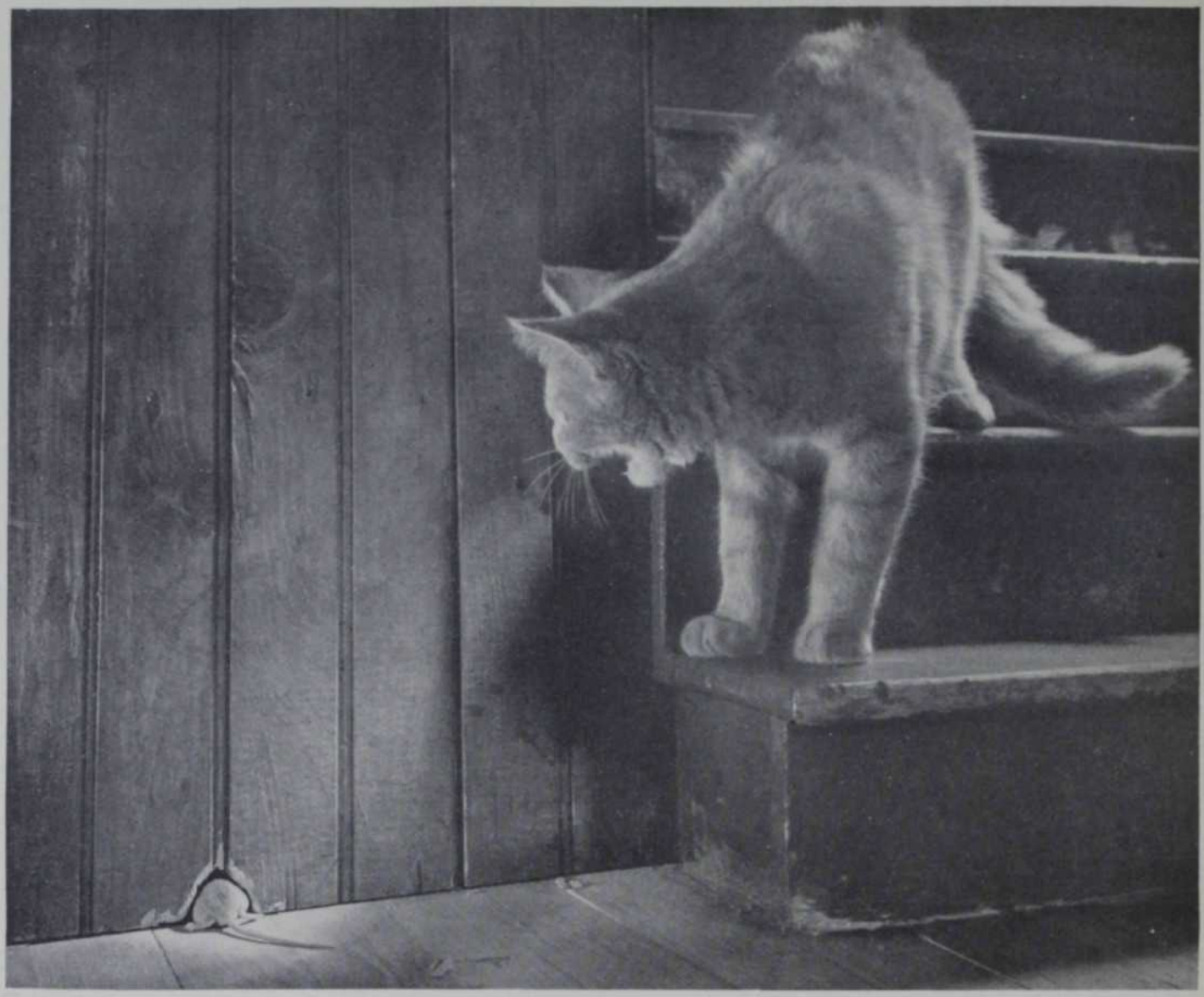
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CHRYSLER TOWN & COUNTRY CAR

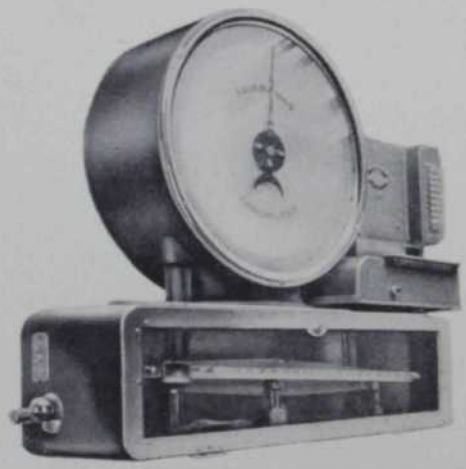
$945* FOR THE 3-PASSENGER ROYAL COUPE

BE MODERN... WITH FLUID DRIVE AND VACAMATIC TRANSMISSION

BUY CHRYSLER!

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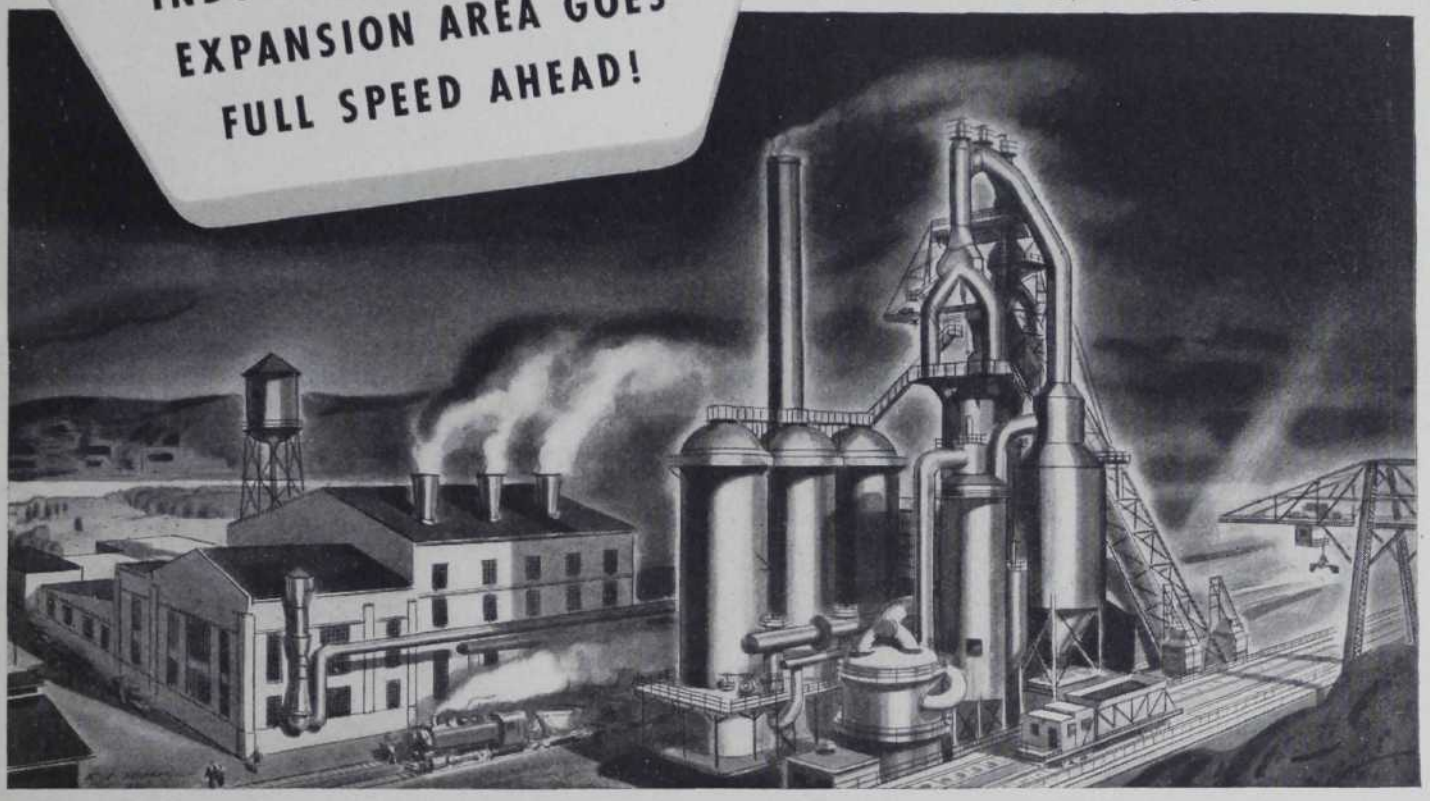
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PUMPS MOTORS WATER SYSTEMS FARM EQUIPMENT AIR CONDITIONERS

Where oxen once dragged loads of pig iron . . .



INDUSTRY'S NEXT GREAT EXPANSION AREA GOES FULL SPEED AHEAD!



THROUGHOUT *The Chessie Corridor,* industries of many kinds are growing . . . *growing* . . . GROWING. New industries arriving. Older ones expanding—such as the American Rolling Mill Company at Ashland, Kentucky. Here last March ARMCO's famous "Silver Spade" once more broke ground for a new unit—this time a giant $5,000,000 blast furnace, with daily capacity of 1000 tons of pig iron.

Industrial leaders see *The Chessie Corridor* as a treasure chest of available raw materials...inexpensive power...native-born, willing workers...excellent transportation...and bountifully watered land . . . economically close to the country's major markets!

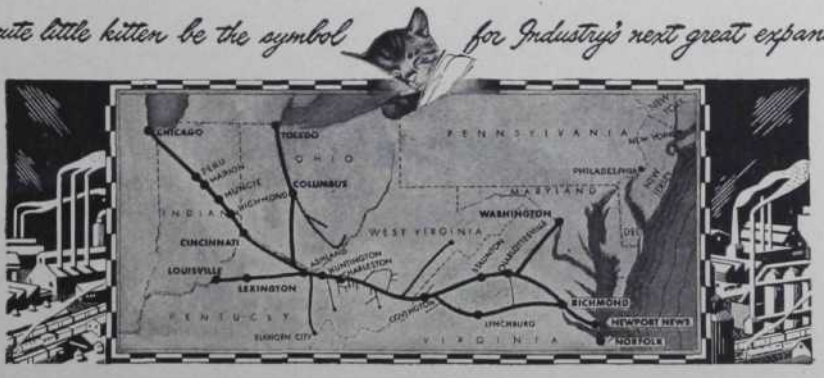
What will you do about *your* business future, today—and tomorrow? If your answer is here, you should know the facts.

FACTS . . for the man who makes decisions

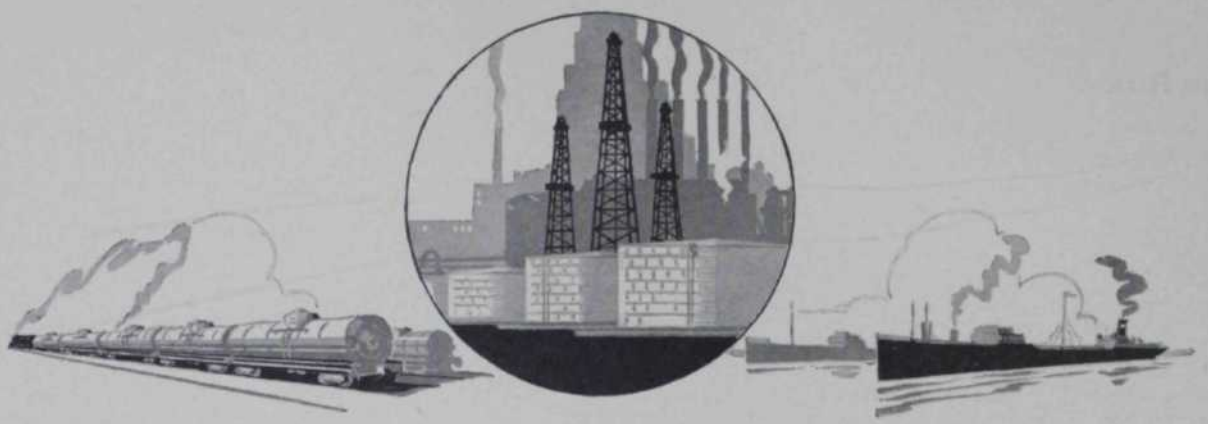
Information on this important area is now organized and available in a new 56-page book you'll be proud to have in your library—*"The Chessie Corridor—Industry's Next Great Expansion Area."* This beautiful book is a graphic survey of the resources, conditions and opportunities which beckon industry to *The Corridor.* Copies will be mailed to business executives requesting them from INDUSTRIAL DEVELOPMENT SERVICE, Chesapeake and Ohio Lines, Huntington, W.Va.



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NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE U. S.

VOLUME 29 **Merle Thorpe, Editor & Publisher** NUMBER 6

Managing Editor, RAYMOND C. WILLOUGHBY; *Business Manager*, LAWRENCE F. HURLEY; *Director of Advertising*, ORSON ANGELL.

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It costs a lot of money to be rich

AND the cost seems to be rising every day. Particularly that part of the cost involved in dying rich—in transferring assets to one's family, by gift or bequest.

But such costs are subject to some control—and often reduction—if they are anticipated. First of all, a clear analysis of your estate and its distribution is essential: Which of your assets would be stable in the event of your death? Which would be subject to sudden depreciation or disappearance? Which can be transferred in their existing form? Which should be converted—and into what? What liabilities will be involved—for your estate, and for your heirs? Today's answers—not those of a decade ago, or even of a year ago—are essential to assure the conservation of your estate and its minimum depletion through taxes and probate costs.



Often a start can best be made by consultation with a Northwestern Mutual Agent who specializes in financial planning. He can aid in determining whether life insurance is an effective way, in your case, to avoid difficulties, losses and delays. He can, and will, co-operate with your attorneys, tax consultants, trust advisers or others in arranging estate settlement plans useful in the light of present-day conditions.

Whatever your aims or the size of your estate, see a Northwestern Mutual Agent for further information on estate analysis and protection.

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Open these Gates
TO THE "LAND OF ROMANCE"

You've thrilled to adventures that splash the pages of history in this land of America's beginning — you've read of the scenic wonders, of mountain and seashore — you've dreamed of a vacation that weaves a bright pattern from the colorful threads of new scenes, fun and relaxation.

These are all yours in Virginia, where hospitality is warm. Swing wide the gates. "The Pocahontas" — "The Cavalier" — or any of the Norfolk and Western Railway's fleet of modern, air-conditioned passenger trains will whisk you to this "Land of Romance" in cool comfort, style and safety. Deluxe equipment and streamlined schedules see to that.



A penny postal to the railway's Passenger Traffic Department, Roanoke, Va., will bring you your copy of the vivid new picture folder, "Come to Virginia for a Real Vacation." Frankly, it's designed to stir your wanderlust!



NORFOLK and WESTERN Railway

THROUGH THE Editor's Specs

Publishing a la blitzkrieg

BECAUSE people kept asking him what was happening to the British *Vogue* under the blitzkrieg, Condé Nast, its publisher, had several copies of the February number sent to this country over the protest of the managing director who could see no sense in this procedure what with British paper rationing giving him trouble enough already.

One of these copies, with a proud little note from Mr. Nast, reached NATION'S BUSINESS and we are of a mind to tell you about it.

The British *Vogue* offices in Bond Street have twice been made uninhabitable by bombs; two of the staff have been killed; practically all have suffered damage to their homes; they battle with transportation tangles in gathering materials and getting to work, scurry to underground shelters at the cry of roof spotters but still manage to get the magazine out on time. And they are pretty damn casual about it, too, if you ask us.

A glance at the magazine itself—84 pages on coated paper, with a separately bound fashion book of 32 pages—reveals no martial influence at all. Advertisements show pretty British models getting permanent waves, applying beauty preparations, cuddling luxurious furs or adopting the poses models adopt to display suits or evening dresses. Photographs show male diners in mufti pleasurably regarding a young thing in tweeds who has apparently been stood up in a Berkeley Square restaurant; a "cardigan suit in Glenurquhart plaid" is nicely filled with an outdoor girl who strides forth to meet the spring. A four-color bleed page gives the reader a coy brunette dunked to the chin in a bubble bath and, elsewhere the text proclaims that every woman needs two corsets for daytime wear, one for evening and one for sports.

What we are getting at is that, in spite of war and bombing and blackouts, British women apparently are going about woman's perennial business of being attractive, about as they have always done. The fact that British *Vogue's* circulation is the highest in its history—eight per cent gain in the first nine war months of 1940—bears this out. (Adv.)

Closer examination of the magazine reveals that the war is not completely overlooked. One article devotes itself to advising hostess and guest on the gracious way to "come to dinner and stay the night," a social custom much in vogue, one gathers, because of blackouts and whatnot. Other articles give instructions for knitting attractive additions to the wardrobe, for remaking or repairing garments of good materials, for vegetable soups, "meat stock is not so easily come by these days."

But in all of this there is calm good humor and complete social poise. One gathers that England is less excited about war than we are. Certainly the advertisements imply that luxury businesses are going on as usual. Cosmetics and permanent waves are available; women's hats look as silly as American women's hats, style of garments is emphasized. Naturally, Britain needs such products for export to provide dollar exchange to buy war materials.

Fight over a road map

THE HOURS of our days are filled with catch phrases. Temerity seems a virtue and those who speak their second thoughts are smeared and reviled as umbrellamen, appeasers, nervous Nellies. Convoy now—all out with everything—Union Now—are cheers instead of national problems to be distilled in the fire of thoughtful consideration.

The Office Visitor dropped in the other day to urge us to go all out for aid to Britain. He was for action with a big A. To him we posed a statement and a question:

"Our Navy has a bomb-sight which is a miracle of accuracy. It can drop a bomb on a dime from 10,000 feet. Would you send that to Britain, taking a chance of its capture and duplication in Germany?"

"No," he "wouldn't go that far"—it might be used against us some day.

Most of the controversy—sometimes bitter—today is over the road



Meet Hollywood's Number 1 creative man—KING VIDOR—Director-Producer for MGM . . . We found Mr. Vidor discussing—with a script girl—"rushes" from "COMRADE X," MGM's spy-thriller starring CLARK GABLE and HEDY LAMARR.



The projection room—where waste footage is cut, each scene edited, action speeded. Many Academy awards are actually won here. Mr. Vidor dictates every direction, note, detail to his Ediphone. They're recorded quickly, accurately, even with inflections.



Here's King Vidor recording scenes and dialogue from J. P. Marquand's best-seller, "H. M. Pulham, Esquire"—his next picture for MGM. Here again, Ediphone saves valuable time, steps up efficiency.

Why don't you discover how much *more* you can do in a working day with the Edison Voicewriter? No "overtime," either, when you keep an Ediphone at home (as Mr. Vidor does). And your secretary will thank you when you phone "Ediphone," your city, or write Dept. N6, (address below) for a demonstration.

EDISON
VOICEWRITER
Ediphone

Thomas A. Edison, Inc., West Orange, N. J. (or) Thomas A. Edison of Canada, Ltd., 610 Bay St., Toronto

map. All want to reach the same destination, security for America. The argument begins when route 1776 is proposed as against highway U. S. A. 48. In actual life, does anyone know of a fist fight over the best road to take to get from New York to Detroit?

Civil Liberty has its inning

The workers learned their lesson
now as everyone can see,
The workers know their bosses are
their greatest enemy.

WE CAN'T render the music but these are the words of the labor anthem, "Solidarity," sung with much gusto at a meeting in Washington of the National Federation for Constitutional Liberties. Government employees turned out in great force.

Harold Christoffel, leader of the C.I.O. strikers at the Allis-Chalmers plant, was one of the featured speakers. He told how constitutional liberties were upheld at Milwaukee, where non-union men trying to work were slugged and the Governor of Wisconsin stoned.

Edwin S. Smith, senior member of the National Labor Relations Board, offered a defense of Communism and Soviet Russia from traducers who lump them with Nazism and the Reich.

At the conclusion of Mr. Smith's talk the audience made the rafters ring: "The workers know their bosses are their greatest enemy."

It was a great occasion for civil liberties.

Frank in quest of his youth

FRANK MERRIWELL is back again. All boys who grew up in the 1890's and early 1900's know Frank.

Gilbert Patten, the author of Frank Merriwell, wrote more than 900 books, including 98 volumes of the Merriwell series. His literary labors were herculean. For 17 years he sat at a desk and produced 20,000 words a week for Street and Smith.

Recently an editor for Alliance Book Corporation induced Patten, now 74, to resurrect Frank Merriwell. The result is a book about Frank as an old man and what he thinks of today's world events.

We haven't read the book. We probably will not read it because we don't wish to destroy one of our last boyhood ideals. We want to remember Frank, not as pontificating on democracy and international politics, but as the conquering young Frank.

Time values go up

SURE SIGN that men are going back to work is the sharp rise since last August in sales of low-priced alarm

clocks and watches. Jewellers are beginning to smile faintly. There is no busier place in the country than the Ingersoll-Waterbury factory.

Man's regard for time is always a good index to his happiness. When he is indifferent to its passing he is likely to be idle, bored and depressed. Men in prison reach the lowest depths of despondency when they no longer count the days and hours. When his days are crowded and each task encroaches on the one to follow, you may be sure a man quaffs copiously of life, even though he complains loudly of being overpressed for time.

Analysing a war cry

DOES a total defense agenda mean that business must mark time and do nothing but supply the military establishment? Scornful references to "business as usual" in some of the current fulminations of patrioteers suggest as much.

That is not the road to security, a reader from Nebraska writes us. He cites a case in refutation:

> In the midst of the Civil War, a great national emergency, private business laid most of the first transcontinental railroad line, the Union Pacific, and the first Western Union telegraph line to the Pacific Coast. Not "business as usual" but "politics as usual" is where you will find the danger to national defense.

Wagner couldn't help it

FOLLOWING the broadcast of a New York Philharmonic Symphony Orchestra Wagner program, a number of persons wrote C.B.S. and objected vigorously, according to Deems Taylor, commentator. The burden of their plaint was that Wagner compositions are Hitler's favorite music.

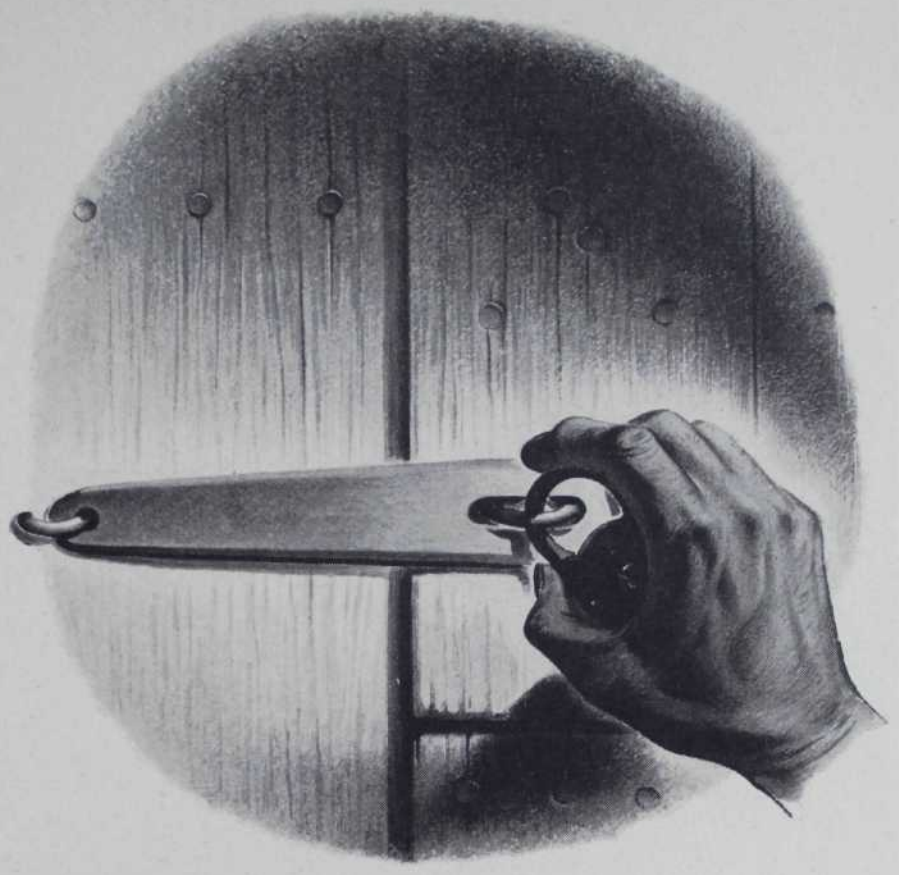
If orchestra leaders are forced to ban Wagner on this account, a difficult precedent will have been set. In that case, what of chess, the favorite game of Tamerlane? Or oysters, favorite dish of the infamous Judge Jeffreys? Or Shakespeare's tragedies, favorite drama of John Wilkes Booth?

The easy way

IN CONNECTICUT, the state Director of Public Assistance complains that private industry is making a raid on the labor supply that threatens W.P.A.

In Georgia 30 W.P.A. workers went out on strike because the shovels given them were too large.

North and South think they have found the easy way. The historian of the Jamestown colony in Virginia records that before Captain John Smith put an end to the system of collectivism that first prevailed there, 20



. . . before the horse is stolen!

There is obvious futility in "locking the stable door" too late. By this token, Hartford Steam Boiler consistently devotes a large share of its premium dollar toward coping with power-plant disasters *before* they can happen.

Thus, through far-sighted precaution, this Company saves industrial managements untold losses each year — not only in equipment and property damages but in interrupted production schedules. Its engineering staff is engaged solely in the study of causes-and-prevention of power-plant accidents and in directing a nation-covering force of 400 highly trained field inspectors who devote all their time to this one task.

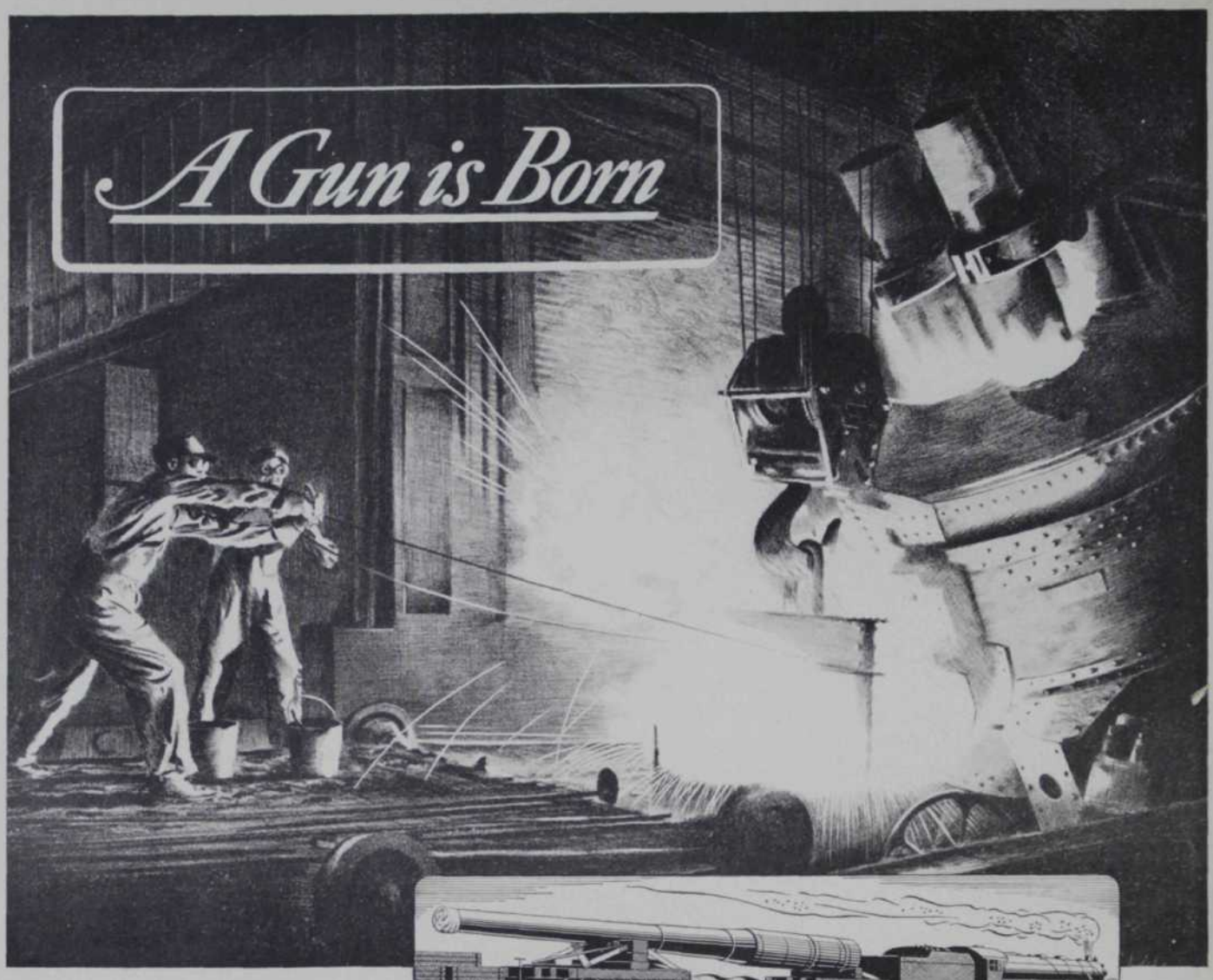
So it is with no half-way measures that Hartford Steam Boiler guards these interests of its policyholders. This Company *specializes* — has no divided interests, no multiplicity of lines. The service it renders is an "all out" service based on 75 years of experience with power-plant safety problems.

"Place your power-plant insurance with an organization of power engineers," is the advice of agents and brokers who know the high standard of Hartford Steam Boiler efficiency and stability.

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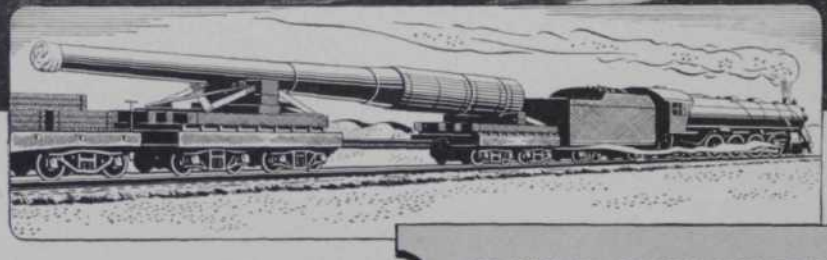
Covers Boilers • Steam, Gas and Diesel Engines • Turbines • Pressure Vessels • Electrical Equipment.
Writes more of this class of insurance than the five next-largest underwriters combined; and is chosen to shop-inspect more than 90% of America's industrial power boilers during their construction.

A Gun is Born



INTO the furnace goes the red earth of Minnesota; the white stone of Pennsylvania; the black rock of West Virginia. Out of it emerges another grim guardian of our cherished liberty. Meanwhile the instruments that will control its fire are being fashioned in Brooklyn, from metals alloyed in Connecticut of Arizona copper, Oklahoma zinc and aluminum made in Tennessee from Arkansas bauxite.

When you start tracing back the elements that go to make up our armor of defense, you find the trail divides again and again. It will lead you back to every state – yes, almost to every county. Each makes its contribution. Each does the thing it does best.



And bringing all these elements together – weaving them into a coordinated program of defense – you'll find the railroads – the only form of transportation that can do this job.

The railroads – moving goods so economically that bulky ores can be shipped half way across the continent for refining. Operating so swiftly, so dependably that it is now common manufacturing practice to fabricate parts in widely separated plants and bring them together *by rail* at a common final assembly line.

IT MUST MOVE BY RAIL

Latest estimates are that the steel industry will produce over 87,500,000 tons of steel in 1941. To make this the mills will need:

2,430,000 carloads of iron ore
650,000 carloads of limestone
1,725,000 carloads of coke
450,000 carloads of manganese, chromite and other special ores and miscellaneous materials.

And after all these materials have been converted into steel, the railroads will handle it all again, perhaps several times, in various stages of manufacture – a job that only railroads could do. The steel business couldn't get along without railroads any longer than railroads could get along without steel.

BIG TRAVEL BARGAIN—$90 coach fare, $135 Pullman ($45 extra for one or two passengers in a lower berth) for Grand Circle Tours of U. S. **Ask your local ticket agent.**

ASSOCIATION OF AMERICAN RAILROADS WASHINGTON, D. C.

per cent of the colonists were doing the work of supporting all the others. We have reverted again to that state of man in nature. The easy way for the 80 per cent is the hard way for the 20 per cent.

The way of a committee

WE DO not question the sincerity of the Temporary National Economic Committee in saying in its final report that its recommendations "are not intended to expand the power of government over business or over the individual." Nevertheless, a reading of the recommendations yields this balance sheet:

Laws recommended for repeal	1
New laws recommended	19
New government agencies recommended	1
New functions recommended for existing agencies	3
Recommendations for state legislation	2
Other investigations suggested	3

One could really become enthusiastic over an investigating committee that would reverse this order and recommend one new law and the repeal of 19 old laws, plus the abolition of about 20 agencies of government. But that, of course, is indulging in a dream.

All faces toward Mecca

THE SECURITY of a lifetime job with all prerequisites has been decreed for another 100,000 federal employees converted into Civil Service by presidential order. Included are all full-time lawyers and all other professional people except those in W.P.A. and T.V.A.

Latest classification of professional workers in the government service, published in a recent issue of the *Monthly Labor Review*, covers the period as of December, 1938. It lists 5,300 lawyers, 7,000 accountants and auditors, 19,820 engineers, 5,050 economists, 5,220 medical and dental scientists, 2,805 veterinaries, 2,200 architects, etc. The average professional salary was $3,137.

Today government personnel is up by more than 25 per cent over December, 1938. That indicates some 6,600 lawyers, exclusive of those employed on a *per diem* basis, 25,000 engineers and nobody knows how many writers and advertising men on Uncle Samuel's pay roll. In all, there is now estimated to be more than 93,000 professional employees of the federal Government.

There used to be a saying that, when a man joined Civil Service, he took the veil and surrendered ambition for security. Now it has become the most promising career in both respects.

Progress in rearmament

A READER from upstate New York writes about a company in his town that ordered from the Oneida Community at Oneida, N. Y., a quantity of a small plated trinket to use as an advertising novelty. After delivery on the order had been several times delayed, the head of this firm went to Oneida in person to see what was wrong.

He found that the full capacity of the Community's silver plating plant was tied up on a rush defense order for 10,000 silver finger bowls for the Navy.

No autonomy for unions

WE SEE by the papers that "Jake the Bum" Wellner has been reinstated in his old job as business manager or boss of the Brooklyn Brotherhood of Painters, Decorators and Paperhangers. The District Council so voted, according to its secretary-treasurer, because it was "browbeaten into submission" by the national union under threat of revoking the Brooklyn charter.

In Harold Seidman's "Labor Czars" we find that this Wellner threw two "swell banquets" back in 1929 and 1930, using hard-earned union dues, to honor two special guests named Lepke and Gurrah. These gentlemen, it will be remembered, later came to occupy an important niche in the gangster hall of fame. "Jake the Bum" himself was convicted of extortion from employers and sent to the penitentiary in 1935. Seidman reports that the case "ended his career," but that conclusion turns out to have been premature.

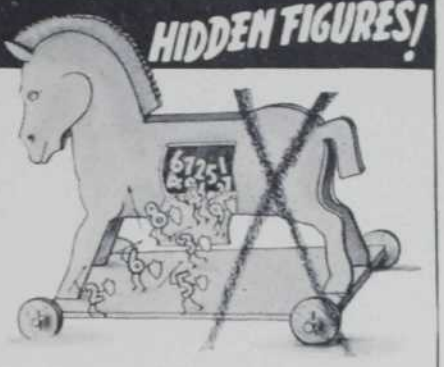
Is there nothing the great American Federation of Labor can do about its "Jake the Bum"? Decent members of the Brooklyn Painters Union have appealed to it to get Wellner off their backs.

Failure calls for another

THE COUNCIL of State Governments, which met recently in Washington, recommended that administration of relief be turned over to the states, with the federal Government contributing from 50 to 75 per cent of the funds in the form of grants. The Council's action was entirely nonpartisan; 28 states have Democratic governors and 20 are Republicans.

No sign is in evidence that the Council's advice will be heeded. It is a feature of "The Coming Slavery" of bureaucratic rule, as observed by Herbert Spencer, that failure does not destroy faith in government agencies but only suggests more agencies.

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We photographed the Love Life of Rubber Molecules *and discovered how to make tires* Tougher!

HAVEN'T you ever wondered what makes some tires so much tougher than others of equal price, so much longer-wearing? Here at Goodyear we've been studying that for a long time, and the answer reads like a detective story.

If you examine natural rubber under the microscope, you'll see it is composed of countless minute globules about 1/50,000 inch in diameter. The trick in compounding tire treads is to unite these particles in a solid substance having great strength and toughness.

Long ago compounders learned that mixing certain chemicals, called "reenforcing agents," with crude rubber made a tougher product – just as mixing sand with cement makes a stronger concrete.

But nobody knew *why*. If this secret could be discovered it might be possible to find better agents, make still tougher rubber. We determined to find out – equipped our laboratories with the finest apparatus for recording just what happened in compounding.

From microphotographs we learned that the tiny rubber particles have a much greater affinity for some agents than others. With some they were decidedly aloof, refusing to mix except in large groups.

With others they were much friendlier, mixing as intimately as salt and pepper – more uniform dispersion the chemists called it – and the better the dispersion, the tougher the compounds were.

With this clue to work on, we began searching for finer reenforcing agents having still closer affinity for rubber to give us still more uniform dispersion – *to step up tire toughness and wear.*

How successful we have been in developing such agents – and in perfecting compounding methods that insure absolutely uniform dispersion in mass production – you can judge from these facts:

Since 1916 the average wear from a Goodyear tire has increased more than three to four times over. And in the new 1941 Goodyear Double Eagle you get a tread so durable it will outlast – by thousands of miles – any passenger car tire we have ever built!

To be sure, there are other reasons for today's longer tire wear – improved design, development of stronger cord fabrics, better manufacturing methods. But these, too, are part of the continuous research in tire advancement that keeps Goodyears the world's first-choice tires – and makes Goodyear *"the greatest name in rubber!"*

Double Eagle – T.M. The Goodyear Tire & Rubber Company



Nation's Business
June • 1941

A Liberty Loan Payable In Full

A READER WRITES:

In the course of a recent discussion one man insisted that virtual dictatorship here is necessary for successful organization of the country in time of war or in preparation for war. He said that, once the crisis was passed, the Government would surrender the powers granted by the people for the emergency. Another replied: No government, once it assumes power, voluntarily relinquishes it.

What do you think about it?

Every serious conversation today raises the question in varying forms and in it lies the reason for our deplorable and recognized lack of national unity.

From the time we spread our morning paper beside our breakfast coffee, through the last caller, letter, and up to the nightly news broadcast—one question beats in the mind of every citizen in the land: Can America fight this war and still be America?

There is no doubt among us that we can outbuild, out-gun, out-fly and out-fight any nation that attacks us. We do not flinch at the thought of the goose-step on our pavements, the silent descent of parachute troops in the fields of our countryside, nor the rumble of tanks and artillery on the highways of the land.

And yet we fear—fear deeply, and for more than our lives. We fear the destruction of the American way of life.

War, to America, thus brings the hazard of a fifth horseman of the Apocalypse—the loss of economic freedom, a temporary loan of the individual's rights to the military when grim-visaged war appears, and always at the risk of repayment of the loan. Inextricably woven into the warp and woof of economic freedom, indeed, scarcely distinguishable, are the political freedoms of speech, assembly, worship, petition and press. The danger to these is this fifth horseman we fear.

We feel it is a real threat because some of our leaders, by their own admission, had lost faith in America before the present emergency arose, and who today in the nation's distress are working for a new order of their own, an America of nationalized industry and agriculture, a regimented way of life.

Disunity exists because there are men and women, in the minority perhaps, who feel deeply that the war should not be made an agency to facilitate this revolution.

Words, promises, reassurances, slogans or battle-cries to dispel this fear are not enough. The prayers of millions are for actions which speak louder than words, actions to give potency to promises.

What signs? A recognition of basic principles which have made America what it is:

That certain men are gifted with a talent for bringing men and materials into useful productivity. They should be encouraged.

That a Congress, sovereign in its own right, is the capstone of representative government. It should be independent.

That leaders of men who labor are as jealous of the responsibilities of labor as they are of its rights. They, too, should come under the law.

That honest opinions, freely expressed, are of the very essence of liberty.

The times call for the full strength of a free America. Such strength cannot be developed as a totalitarian strength. The free men of America cannot work that way. There is no leadership which can lead them that way.

Only deeds will reassure a nation as it mobilizes in war effort that its unguarded domestic institutions will not be threatened. That kind of reassurance will cause the nation to surge forward, unitedly, to a victory which will secure for us and our posterity the blessings of liberty.

Merle Thorpe



"What! you use diamonds in making telephone wire?"

Precious stones are an economy in Western Electric manufacture

You telephone over wires which were drawn through diamonds ranging from one-third carat to two carats.

Copper wire is pulled through a hole in the diamond at a speed of 120 miles an hour! The wire starts larger than the hole and, passing through diamonds with successively smaller holes, is pulled down to the required size.

About 20,000 miles of wire can be drawn through a diamond die before the stone must be repolished; about 200 miles could be drawn through a die using the next best material.

Machines like this, attaining new speeds in wire drawing, are designed, made, and operated by Western Electric in its capacity as manufacturer for the Bell System.

Their speed has special importance now in rushing wire for national defense.

. . . helping to keep down your telephone cost.

Making wire and thousands of items of telephone apparatus, Western Electric constantly finds ways to reduce cost and improve the product.



Western Electric

. . . is back of your Bell Telephone service



EDWARD F. WALTON

We cannot bring our cellar and kitchen up to the standard of those in the federal housing projects. So that dwellers there may have these things, we must go without

The Case History of John Smith

IF YOU are 40 years old, your progress has been definitely stopped by government policies. If you are 30, those policies have left you ten years to do the work of 20

I AM 45 years old, native-born of immigrant parents and I have lived all my life in New York City. I am able-bodied, in good health, married and the sole support of seven persons, including my wife and myself.

It is not likely that my situation or my problems will be of concern to anyone except myself, my family and, perhaps, my employers. Nevertheless, I am prompted to write them down because so many of my friends and acquaintances have been doing the same thing for the benefit of the S.E.C., the W.P.A., the F.H.A., the N.Y.A., or what symbols have you.

There is, however, a difference in what they have done and what I am doing because I am a non-entity to the bureaucrats. I have no business that needs their help in its management and I have had neither the occasion nor the inclination to ask them for help in housing, feeding, clothing, doctoring or educating anyone in my household.

I am hardly a subject to call forth the literary genius of a Steinbeck. No Aubrey Williams could be inspired to emotional rhetoric by a survey of my economic condition.

My salary is $10,000 a year!

I cause the Government little or no concern. Why should I? My income is reported to the penny to the Internal Revenue Bureau at Washington and to the State Tax Commission at Albany. I, in turn, by a process of elementary arithmetic, report and pay the taxes imposed upon that $10,000 income. Then and there ends my direct contact with Washington and Albany. Who am I to expect that these sovereignties should apply themselves to the proposition that my $10,000 income and its sources should be safeguarded so that not only my family but also the State may continue to benefit from it.

Presumably, I am well fixed. An income of $7,500 in 1925, growing to $10,000 by 1930 and continuing at that figure savors of "the upper bracket." The merest tyro in the social service department automatically would catalog me as high in the middle class with a home in Pelham or Forest Hills worth $15,000 ($8,000 mortgage) or rented at $140 a month. Several of the older children would be away at college and prep school. There would be an $1,800 automobile, 1939 model, in one-half of the two-car garage. I would be-

long to a golf club and my wife to the women's societies. There would be a servant. We would entertain frequently. Of course we would be having trouble making ends meet but, after all, we didn't have to have the children or choose the way of Suburbia. Then, again, there's nothing so evil about debt!

What's wrong about such a plausible generalization?

Well, my house cost me $8,500 in 1924. I own all but $2,000 of it today and it wouldn't bring $4,000 in the market. Our section of the city is old and has no virtue save that of convenience to central points. I think Mr. Hopkins would say that, if I am not living in a slum, my neighborhood would serve as an example of a slum until the real thing had been discovered.

Typical family life

ON ONE side of us a great federal housing project has been completed and another is going up on the other side. All things considered, my house plus garage rent stands me $90 a month. Two of my children are in college and another in prep school but they are day scholars. There is a $2,800 car, 1933 model, which has a trade-in value of $250.

I belong to no golf club, playing, when I do, on fee courses. My wife is not a club woman and she is old-fashioned, too, in the matter of going for months at a time without a servant. She has known work of some sort all her life and she says it is much more satisfactory to do things yourself than to try to compel people to do them. We entertain little and are entertained less. In a word we live, and always have lived, as 90 per cent of the families of New York City do; a way which differs little from that of the average family of Cedar Rapids or Sacramento.

My assets, aside from those already listed, are a summer place worth $6,000, a block of $8,000 preferred stock upon which 28 per cent is due in cumulative dividends, $300 in a checking account, $130 in a savings bank and $24,000 in life insurance.

I am not of an acquisitive nature, never hoped to attain riches and now certainly never expect to. Early in life I gave hostages to fortune and I have not regretted. I possess the attributes of my class, temperance, independence and domesticity.

Where I went astray, most notably, was in gambling $4,000 in Wall Street in the late days of the boom. After holding out for years against the importunings of some of my fellow workers, I took the plunge in December, 1928. I knew what I was doing because no one, even then, could convince me that a stock which was paying eight per cent was worth $450 a share—to say nothing of a stock which had never paid a dividend being worth $500 a share.

When the dice turned up deuce I didn't go around shouting that there ought to be a law to prevent me from violating my better judgment if not my common sense. Nor did I harbor a grudge against anyone, least of all against the so-called "Wall Street gang." I saw, much too clearly, how that crash destroyed not only the hopes and the homes but even the lives of those in Wall Street.



I am using my time and energies to awaken my neighbors and friends as to where they are heading and why

I suppose that many persons today would say that I am to be envied. Certainly $10,000 is a fine salary. My work is agreeable, I have no debts of consequence and I have an untroubled family life.

Some of my friends tell me that my whole trouble is worry—not about myself but about the state of the nation and the future. But I note that most of these people either are single or, if married, are without children.

I did not worry much when, as a boy of nine, I was selling newspapers; when, at 11, I was porter-messenger in the corner store; when, from 14 to 20, I carried work on one shoulder and education on the other.

I did not worry much when I lost my $4,000. According to my code there is punishment for each mistake. The reckoning may be postponed or transferred but it is inevitable. So I was reconciled to the three or four years of depression which I had helped in some way to cause. Today I do not worry about my frozen $8,000. I believe the principal is secure. If it should prove otherwise, then I have made a mistake in judgment and I shall be prepared to pay the penalty.

What I object to is paying for the mistakes that others may make with my money.

But, if worry is the word that best describes my condition, I am able to give the causes of that worry in two sentences!

I am worried because my progress has been stopped, definitely and finally.

Progress halted

SECOND, I am more worried because the progress of my class has been stopped, definitely and finally for the older group, and for one-half of the period which is allotted to the younger group to make its way.

It is not difficult to justify, by official figures and by observation, the basis for this worry.

When I say "my class" I mean those persons and their families in the $1,500 to $10,000 income range, all of which income is realized from private effort. Arbitrarily, and, I think, not too highly, I would estimate the number of these persons at 70,000,000. We are the men, women and children who are not drawing a dollar from the public treasury in any way.

What has happened to us?

Just this:

We have stopped going forward since 1930.

Each of us who, in 1930, was of working age has lost 11 years of the 20 which are given to him for material advancement.

Those of us who were 30 in 1930 are through, despite the exceptions and whether or not we choose to admit it.

Those of us who were 20 in 1930 have nine years left in which to do the work of 20.

Moreover, and what may be more significant, this great middle class is standing still at a level far below normal. By 1933 it had descended to the depths from the peak of 1929. Its climb,

since 1933, has brought it nowhere near to the normal level as marked by the year 1925.

All of us can remember how, from 1932 to 1940, there always was talk of the rising national income and of the purpose to get it up to normal—with $80,000,000,000 as normal for 1940. Well, that state of normal was reckoned by the Federal Reserve Index with 1923-1925 equalling 100. We can remember, too, that 1925 was the year on which farm parity was based. Thus 1925 was clearly and officially established as the norm.

National income, *per capita*, in 1925 was $610.

National income, *per capita*, in 1940 was $550.

Real income is reduced

THUS, each man, woman and child in the nation was $60 short of normal national income. The real shortage was greater because the 1925 national income did not include, as it did in 1940, income originating from W.P.A., relief, farm bonuses or from the salaries paid to the hundreds of thousands of employees added to the federal pay roll since 1930. However, for the purpose of simplification we shall take the figures as they stand.

Sixty dollars less per person in a family of four means $240 less income to that family.

Yet that is only six-tenths of the picture.

Per capita taxation in 1925 was $53.

Per capita taxation in 1940 was $96.

Thus, for each man, woman and child $43 more was taken from income in taxes in 1940 than was taken in 1925.

Adding $43 and $60 you get a net loss of $103 *per capita*.

In a family of four, $103 less per person means $412 less a year to that family.

What a loss of $412 a year can mean to a family in the $1,500 to $10,000 group is readily understood if you happen to be in that group and are not being supported by the Government.

This deficiency, it must be noted, has not been peculiar to 1940. It began in 1930. Partisans may argue as to when and why it was actually the greatest but they argue to no purpose. Time and economic law know no administrations. The fact is that the continuance of this deficiency, over such an abnormal period, has marked and is marking the systematic impoverishment of that part, at least, of the middle class which draws no income from the public treasury.

In 1925 I had a family of four and an income of $7,500, that is, $1,875 a head. In 1930, my income rose to $10,000. It has not increased since, although my family now numbers seven. Today the *per capita* income in my house is $1,430

(Continued on page 117)



No sacrifice is too great if it means advancement of John or Susan—which is why our schools are filled with Johns and Susans



" . . . . intentional pauper?"

Work Bench & Park Bench

FROM several quarters, including Congress, come the questions: Why isn't W.P.A. shrinking? Why aren't the additional hours of labor needed today forthcoming from the rolls of unemployed, as promised? Demand for workers is greater than at any time since 1929, yet why do relief appropriations show little decrease? Are 4,000,000 or 5,000,000 unemployed, as Administrator Hopkins once predicted, to be a permanent charge upon the rest of us?

The welfare worker has described 5,000,000 to 10,000,000 unemployed men as men with ability, capacity and will to work. Our whole legislative program of the past ten years has started out with the preamble "because of the failure of our economic system to restore jobs, therefore be it enacted. . . ." Has this been a false premise? Have we confused a social problem with an economic one, lumping the "unemployable" with the "employable"?

In defining unemployment we have included those physically or mentally incapacitated, those untrained, flighty transient workers, even members of the Hoboes' Union, pledged never to do a day's work.

Owen Young once said that we need to know more about the intentional pauper. Only with this knowledge can we approach our coming post-war problems.

Humane care for society's unfits and misfits, America could, and has, and would provide. The job is complicated by two separate problems, one economic, the other social.

The standard we have adopted for the chronic loafer is too low for the honest worker, temporarily out of a job; any standard adopted for the honest worker is too high for the chronic loafer.



"Yardstick for market basket"

Parity Calls the Tune

WHEN Mrs. Jones sets out with her market basket, like Little Red Riding Hood she is on an exciting adventure. The once simple trip is now one of social, economic and political significance. No longer domestic, it is now international. The price of the pork chop, the eggs, the chickens, and the butter she will buy has been determined by the "Country's No. 1 feed crop." The lowly ear of corn is the yardstick, the nation's new food dictator.

The Department of Agriculture has approved a food price structure, based on corn, which it believes will encourage farmers to expand production, thus replenishing British larders while satisfying domestic appetites. Mrs. Jones may not understand the reasoning: "that the parity device will sustain the purchasing power of farmers in non-farm goods and services by setting a price level projecting the exchange value of crops which prevailed in the period from 1909-1914." But, if the Washington economists are correct in their estimates that food prices will go up from ten to 20 per cent, Mrs. Jones will get a glimmering of what it means when her food bill comes in.

Situation develops from congressional determination to boost the Government's price-pegging loans on wheat, cotton, corn, rice and tobacco to 85 per cent of the parity base. Significance of rate elevation to consumers is the consequent necessity to raise minimum prices which had been approved for hogs, dairy products and poultry to stimulate production. If prices rise because of market pressure, the farmer stands to gain. In fact he cannot lose. He is assured his loan and benefits, collects whatever profit may come his way.

Shape of Things to Come

THE NATION'S fiscal year draws to a close. Unexpected defense item in budget adds billions. Only few months ago, it read $4,000,000,000. Price Boss Henderson told Congress $18,000,000,000. National debt rushing to $100,000,000,000 mark, with Secretary Jesse Jones assuring U. S. Chamber delegates that a people with $90,000,000,000 income need not fear $90,000,000,000 debt.

Already the extra $3,500,000,000 in taxes has been raised by $1,000,000,000, and latest reports predict $5,000,000,000. A new kind of taxation—not for revenue only, but to restrict production and consumption along preconceived lines. One thing is sure: A new economy, enforced by government, touching every business, every life, every personal plan of life. It is all too clear that America is moving into a future undreamed of a short two years ago, with conscription, training camps, two-ocean navy, a minimum of 50,000 war planes, 4,000,000 men permanently in Army classes—current charge, 40,000,000,000 man hours of industrial work. And little boys who play with guns today may now look forward to their part in the new concept of making America secure.

Whatever rôle destiny has in store for the U. S. A., it takes no astrologer to read the signs of the times. Clearly, the cost of armament is shaping the future. To the degree that productive lives, facilities and resources are diverted to military requirements, to making of munitions and related items, by so much will the normal volume of goods and services be reduced. As annual deficits in these goods and services accumulate, the national standard of living must inevitably decline short of a miraculous resourcefulness unreasonable to expect.



WALT SANDERS FROM BLACK STAR

"And little boys who play with guns."

Risk-Taker, Old Style

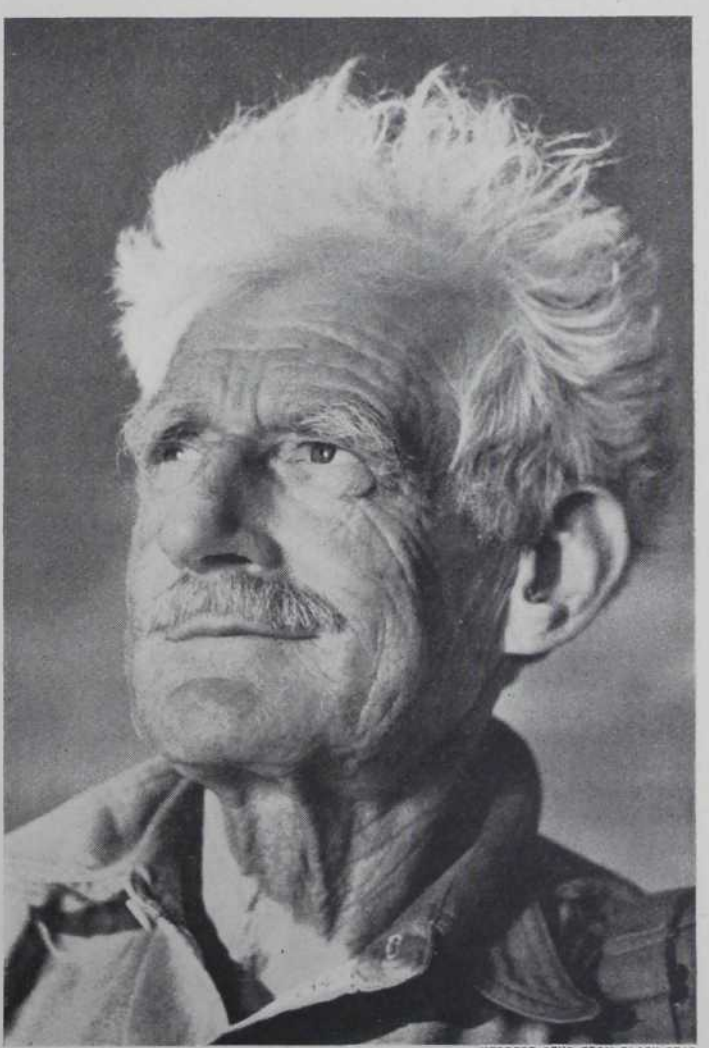
BLOOD brother to the oil wildcatter who drilled 3,038 wells in 1940—incidentally 2,672 dry ones—is the go-it-alone mining prospector. Migratory, famed in song and story as rugged individualist, he interpreted the Government's gold purchase policy as personal marching orders.

Up-rush in the price of gold from $20.67 in 1932 to $35 in 1934 sent thousands of old and young—men, women and children—with borrowed pans and grubstakes to the western mountains hoping for a "strike." By 1933, 100,000 of these adventurers were courting fortune in California, Oregon, Idaho and Montana. For every ten adult men in California alone it is estimated that there was one would-be miner on his own. Some 28,000 were successful. The law of life—demand, incentive, enterprise, competition, success and failure.

Most of the wells drilled by the oil industry are within the boundaries of proved fields, are put down to develop those fields, the American Petroleum Institute reports, but every year several thousand locations are picked where no oil has been found, and exploratory wells are sunk. Many wildcat wells penetrate more than two miles, cost from $150,000 up, disclose nothing but dust.

We may damn the profit motive, we may seek to circumvent supply and demand, but what substitute is there which would spur 100,000 men to invest in primitive equipment of picks, shovels, pans, rockers, sluice-boxes and go to work?

Only an occasional gusher or Klondike, but the hope of large rewards keeps the light afire in the eyes of the oil or mining wildcatter, stirs the nation to fresh recognition of initiative and independence.



HERBERT GEHR FROM BLACK STAR

"What substitute . . . would spur . . ."

Defense Oaks Grow from Little

By FRANCIS HEWENS

SMALL COMPANIES can do the work, once they learn the intricacies of Army and Navy procurement. The Chamber of Commerce can help with that

WHEN United States Marines are roused from slumber by the bugles made by the Pioneer Bugle Company of Brooklyn, they probably will have no praise for that company's three partners and six employees.

When the daring young men in Uncle Sam's new parachute troops let their big silk umbrellas unfold, they will have reason to be grateful to an ex-handbag-frame manufacturer who is now finishing parachute fittings—but they will never think of him.

Nor is it likely that military surgeons will think much about a little factory in the shade of an old elevated railroad when they wield their metal-capped flasks, or of a housewifely-looking woman executive when maneuvering one of the new portable operating tables. Also, no patriot is likely to write an ode to the manufacturer of cigar-making machinery now helping to stock the country with artillery and anti-aircraft equipment; and hardly a gob alive has ever heard of 77-year-old Albert Watts, who for 51 years has worked for a small plant that makes warning bells and telegraph keys for the Navy.

These firms and individuals are the little fellows; the many small cogs that make the machinery of industrial preparedness go 'round. The big corporations get the spotlight. From the publicity, it would appear that they were doing the whole defense job, but the fact is that thousands of small plants are up to their necks in defense work, many of them with prime contracts of their own from the War and Navy Departments; many

In this emergency, it is men and machines that count most. The little companies have them and are using them in a truly big way



Acorns

performing vital tasks under subcontracts.

Where are these little plants, and what are they doing? One place to find whole congeries of them is in Brooklyn. No one would ordinarily think of that sprawling borough as a center of defense industry. It has no airplane or tank factories. But in Brooklyn alone more than 300 little firms are working for defense. Altogether, some $500,000,000 worth of defense work is under way there. Naturally, the Brooklyn Navy Yard, with its 40,000 employees, is busy. Yet at least $200,000,000 worth is small industry's share.



77-year-old Albert Watts has been making bells for the Navy 51 years. He won't stop



ALL PHOTOS BY NESMITH

Ann Kavun gave up beauty contests to manage an electroplating shop. Ermete Ruspantini owns it. They work on instruments

The products they are turning out include heavy castings for machines that make machine tools that, in turn, make tanks; tiny bolts and buckles; sleek-looking stands for searchlights and cumbersome dollies for towing airplanes. They have contracts or subcontracts for $138,000 worth of wiping cloths, $30,000 worth of carbon paper, $26,000 worth of spaghetti, $100,000 worth of sandbags, $38,000 worth of nails, $9,000 worth of portable operating tables, $4,200 worth of bakers' and cooks' caps, $70,000 worth of canvas leggings, $9,600 worth of nutmeg graters and bread boxes, and $680 worth of washers.

With most of these companies, it is a case of business as usual. They continue to grind out stuff for their private customers as best they can.

How have they happened to get their contracts or subcontracts? Certainly not through political influence; not because they happen to be so close

to a great navy yard. Scores of them are shipping equipment to Army bases all over the country, or parts to prime contractors as far west as Ohio. Indeed, their ability to get defense work and to put it out successfully has so intrigued defense authorities that some 20 officials and staff men of the O.P.M. and related agencies have visited Brooklyn to find out the secret.

In the main, it has been a selling job. Some concerns, of course, were producing unique items that would have been hard to find or make elsewhere. Scores of the little outfits had to be sold on the idea of taking defense work at all, and then needed help in mastering the intricacies of Army and Navy procurement.

In Brooklyn, as in most other large industrial communities, the local chamber of commerce played its part. Early last fall it set up an advisory committee on industrial preparedness with seven subcommittees to handle such diverse problems as negotiating subcontracts, making defense loans, recruiting and training labor and protection against sabotage. The staff of the Chamber's Industrial Department was enlarged to provide advice and assistance to the small plants to which defense work was new and strange.

To be sure, many oldtimers had been through the mill before. Look at Taylor & Company, Inc., a gray iron foundry established in 1886 by Zachary Taylor (not the statesman). This company, incidentally, made the castings for Thomas Edison's first lighting system. Today, the aging son of old Zachary, and his grandson, William Zachary Taylor, are taking the company through its third war. The Taylors employ nearly 300 men turning out castings for machine tools that in turn are used for defense production. Young Bill Taylor, 30, a Princeton graduate who learned the business from the bottom up, runs the plant. The elder Bill Taylor, a big, rough-and-ready, jovial man, keeps his eye on the plant, too, but takes time to see the lighter side of things. He gets a great kick out of exhibiting an official looking paper.

"Sure we get priorities," he comments. "Here's one for example: It's stamped for delivery *February, 1942.*"

About the only thing worrying the Taylors is the difficulty of finding skilled molders and training new men.

(Continued on page 114)



Frank Montufusco, firm member, helps get out a rush order of Marine Corps bugles even though fire recently destroyed the plant



It is not all straight production; planning short cuts is important, too



PHOTOS BY NESMITH

Anthony and Jeanne Tascarella inspect one of the portable operating tables they are making for the United States Navy

They Dammed the River Styx

By JOHN E. BEAHN

HUMANE selfishness which has reduced price of nearly everything you buy now is first line of defense against sabotage

FEW SANDHOGS live to tell the story of a "blow" —their own word for the sudden release of air pressure from an under-water caisson. But there is one story. . . .

Eight men were on the bottom when the "blow" occurred. With a wild shriek, compressed air shot out, mud and water squirted in long, oblique geysers from the edges of the caisson. The men slipped and stumbled running to the ladder, the sound of their frightened breathing and the sucking of their boots in the soft bottom smothered by the roar of the water. One man was knocked flat into the muck but jumped up and ran after the others.

It was a long climb—more than 70 feet to the safety of the man lock. The heavy boots, heavier now with water sloshing about inside, made each rung a new effort even for their desperate strength. The water rose as rapidly as they could climb, licking at the feet of the lowest man. The lights snuffed out leaving a cavernous darkness of water, fog and sweating, straining men.

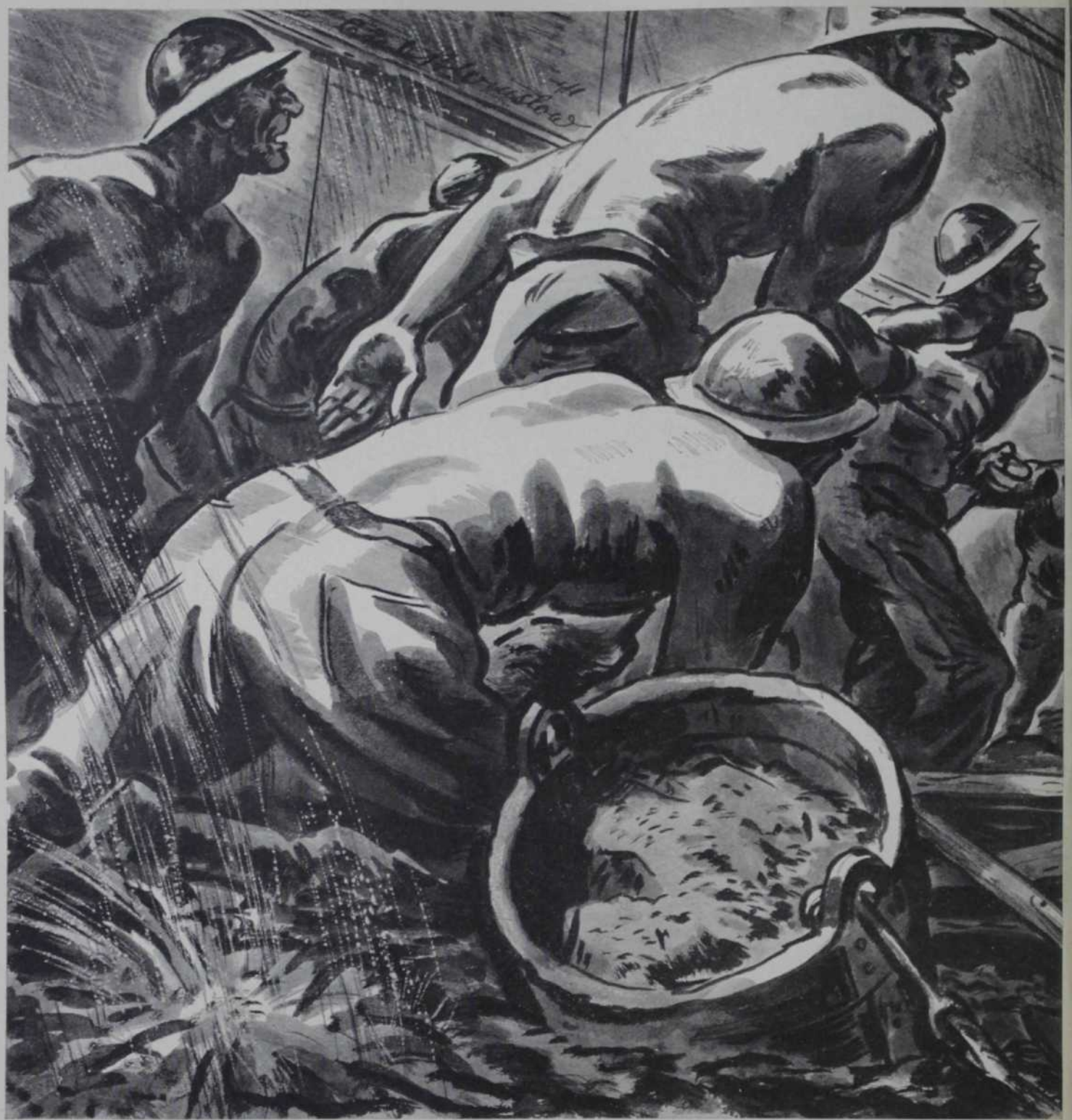
At the top, the first man hammered on the door of the man lock. There was no sound from the other side. The lowest man slipped off the ladder, clinging to the others as he rose with the water. The top man hammered again and again, his fist making a dull thud against the heavy metal door. Five men were in the water now clinging to the ladder or the other three. But the door remained closed. The tender had left his post for a moment. Despairing curses damned him to perdition.

We know all this because the eight men were saved when the lock tender returned some minutes later. The man below was still pounding on the door. In the light from the man lock, the tender saw their angry faces against the black ripples of the water.

Not many years ago, all eight would have been drowned. These men were saved because one man



As the ladder fell, it struck an instrument panel, damaging gauges and other mechanical equipment



Eight men were on the bottom when the blow occurred. They scrambled to the safety ladder, the water

had foreseen the possibility of carelessness combined with an accident and had offset it. That man was the safety engineer.

This happened on a job excavating for bridge piers. The caisson rested in the muck of the bottom, its edges biting deeper and deeper as the men scooped downward to the bed rock. Compressed air in the working chamber held back the river until a faulty valve let the pressure escape.

When the job was started, the safety engineer had insisted that the man lock, a chamber for preparing the men for either the low atmospheric pressure outside or the high pressure inside, be always six feet above the water line. When the "blow" occurred, the water inside the caisson rose until it reached the level of the river. Then the men inside still had those precious six feet of air to breathe until the lock tender returned. The safety engineer who had insisted on the six feet of air space was one of the eight men it saved!

On another construction job a safety engineer arranged for the storage of dynamite in a one story frame building some distance from the main operations. Unknown to him the kerosene used for filling red warning lanterns was also stored in the building. He first learned of it when he found a watchman, squinting through the smoke of a cigarette



rising as fast as they could climb

dangling from his lips, filling the lanterns with kerosene a few feet from the dynamite.

These two safety engineers saved the lives of at least ten men including their own. How many others have been saved in industry, in homes, in stores and traffic cannot be estimated.

The safety engineer is a relatively new character in industry. Serving as an earthly and rather earthy guardian angel, he is in virtually all companies, in every industry, matching his wits, training and experience against death. Usually he wins.

He knows the causes of most industrial accidents—heavy articles falling on workmen's feet, flying fragments striking human eyes, slippery floors, ladders placed incorrectly or in poor repair, and a host of similar items. All these have caused accidents and, were it not for the observant eyes of the safety engineers, would cause many more. They see many plants, many machines, and men performing innumerable tasks. They exchange their experience and observations with each other. They are constantly learning and transferring the benefit of their knowledge from plant to plant and job to job.

Forestalling danger in operations

THE safety engineer walks back and forth in manufacturing plants watching machines and the actions of the men who operate them to detect a move of the man or a part of the equipment which threatens the safety of the man. In coveralls and boots, he walks the tunnels of uncompleted subways watching for fissures, noting whatever might threaten the security of the workmen, the people overhead, or somebody's property. He trains rescue squads in a hundred industries, teaches first aid methods, seldom sees a life lost but as seldom hears of the thousands saved by his foresight.

Until a few years ago the construction industry had a cynical expression, "A life for each story." The ratio operated with fatal perfection until safety engineers appeared. Then it suddenly declined. The effectiveness of the work of these men may be judged from the record of two buildings erected for insurance companies. The two buildings totaled 16 floors without the loss of a single life or permanent disablement of a workman.

Three accidents were reported in connection with the nine story home of the Liberty Mutual Insurance Company in Boston. These three deserve special attention.

One man was struck by an automobile as he crossed the street. This was really a traffic accident with no relation to the construction project. He was completely off the site of the building but, since he was a workman, the accident was reported. Another was injured when he jumped backward off a moving truck, an accident due entirely to human

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They found a workman filling lanterns and smoking a few feet from the store of dynamite



The Remora Clue:



"Mr. Jones," said Benny, "I'm desperate for a job. I hate to be on relief. Can't you give me a chance? I'll do anything"

THE REMORA family celebrated an anniversary March 17. On that date, in 1932, the family name was first inscribed upon the relief rolls of the New York State community which counts four "Remoras" among its population of approximately 30,000.

The years have not passed unheralded and unsung. At frequent intervals various members of the Remora clan have loudly called attention to their plight.

Mrs. Remora has twice written President Roosevelt heart-rending letters describing family sufferings and the callousness of welfare officials. Governor Lehman of New York has received three similar epistles.

From the offices of these executives the complaints have passed down through a variety of investigative agencies which, at the expenditure of considerable time, effort and public money, have established that these representatives of the proverbial "ill-clothed, ill-housed and undernourished one-third" have actually received—and are receiving—all that they are entitled to of the community's bounty.

In ichthyology, a remora is a parasitical fish which attaches itself to its host by means of a suction disk. In the field of public relief those who seek to perpetuate their existence in non-productive dependence upon their fellows are as truly parasites, who may draw the life-blood not only from their host but from those who, upon occasion, may vitally need the services of a blood-donor.

Since a pseudonym obviously is required here, the name should do very well. For similar reasons of policy we will also call the city Metalville.

For more than a year the industrial plants of Metalville have been working full-time.

Local newspaper articles bewail the evident shortage of labor; agencies of the U. S. Government have appealed to the unemployed to register for defense work; the New York State Employment Service has extended its office hours to fulfill the function of placing men in jobs.

Under such circumstances a director of the Metalville Chamber of Commerce cleared his throat at a chamber meeting when the presiding officer called for "New Business."

"Mr. President," he began, "Our mills have been steadily adding employees over a considerable period. They are still looking for workers, yet our city relief rolls show little decrease. I suggest that a real effort be made to place employables on home-relief and on W.P.A. in private employment. I move that the president be authorized to appoint a committee for this purpose!"

"Second," came an enthusiastic chorus.

Employment hits a snag

THE suggestion was unanimously approved and a competent committee went into action.

This group first obtained the promise of full cooperation from local plant employment managers.

It arranged to coordinate all employment efforts with the City Welfare Department and with the State Employment Service. Through joint efforts, several score families soon became self-supporting.

But, March 17, 1941, the Remora family observed its ninth anniversary of public support.

Benny Remora is a strong, healthy-appearing young man of 27. The Relief Bureau classifies him as an "employable." He lives with his mother, his wife and a younger, half-witted brother in a five-room flat for which relief agencies have paid the rent for most of the past nine years. In 1932 the family numbered five by inclusion of a step-father and an older brother. Benny was 18 years old and single.

The father of the three boys arrived in this country shortly before World War I. Mrs. Remora, to be, arrived shortly thereafter. Both soon became American citizens. They were married in the United States and their children were born in Metalville—at the ex-

or Who Held up Relief

By GEORGE H. BARROWS

THE MYSTERY of why relief costs stay high in spite of widespread reemployment is partially solved by this case. Facts are accurate, only names altered

pense of private charity. Eventually Mr. Remora died.

The funeral was conducted at the expense of some one outside the family because although the Remoras have been on the public relief rolls only nine years they have long been recipients of private charity.

Benny's younger brother has a mental condition slightly above idiocy but all attempts to have him placed in an institution have been strenuously resisted by his mother with the support of those well-meaning groups and individuals who rhapsodize on the subject of mother-love. Caring for him has also given her a logical reason for not seeking employment.

Mrs. Remora no doubt would appreciate a higher standard of living. There is a reasonable suspicion that she visioned an improved economic status when she married an aged and retired railroad pensioner a few years ago.

Unhappily, the old gentleman's pension was barely sufficient to meet his own simple needs and he had no other resources. The sons, then grown, aided their mother in barring the newly acquired husband from the pleasant glow of relief-coal in the kitchen stove when they found that his presence brought no additional contributions from the public purse.

When the stepfather found separate living quarters, the brothers instituted a court action designed to compel the unfortunate man to turn over half of his pension toward the support of the remainder of the family. A considerate judge nullified this claim.

Possibly so many details of the Remora family history would have remained forever buried in the City Relief Department records had not the chairman of the Metalville Chamber of Commerce "Employment Committee" personally encountered Benny Remora. The chairman happens to be the directing head of one of Metalville's largest

They appeared at the welfare office. "We're married now, so what? You've GOT to give us relief"



industrial plants. We will misname him Mr. Jones.

"Mr. Jones," said Benny, "I'm desperate for a job. I hate to be on relief. I'd like to make a nice home for my mother and sick brother. Can't you give me a chance? I'll do anything."

Ready to get a job

BENNY spent more than his quota of years in school. He went to high school but did not graduate. He will tell you that his failure was part of a scheme to hold him down. He uses better than average grammar. His voice is pleasant and sounds sincere. His blue eyes are steady and he can readily squeeze a drop of moisture from their corners.

"I worked for your company a few weeks in 1937," Benny admitted. "I guess I was irresponsible and not too good a worker. I'm married now and see things differently. My wife is going to have a baby next month. I've learned a lesson. . . . Just give me a chance, Mr. Jones."

Mr. Jones was impressed.

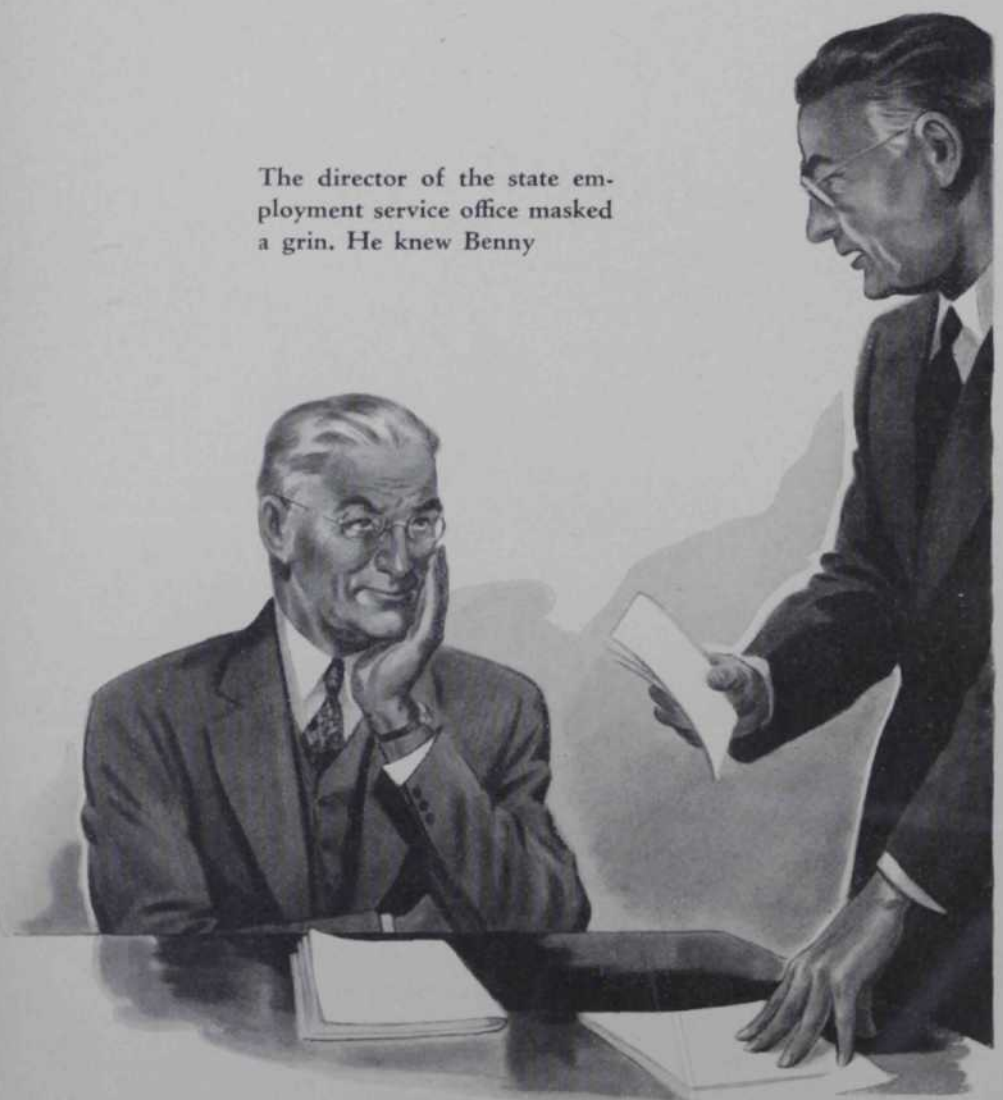
"Go over to the Chamber of Commerce and see the secretary," he instructed. "I'll call him while you're on the way. I know he can arrange for you to join a 'defense training' class. I'll check to see how you get along there and I'm sure that I can promise you a job very shortly."

The chamber secretary was prepared when Benny arrived. He had made an appointment with the trade-school superintendent. Shortly thereafter it was reported to Mr. Jones that Benny would start with a training class the next day.

That evening the chairman made an interesting report to his employment committee. Mr. Jones described his new protégé's eager desire to work; he expanded upon the possibilities of transferring men on relief to productive employment through the agency of the defense-training courses and expressed his intention to place Benny Remora in a job before the week was over. This would definitely prove, he intimated, that the rehabilitation of chronic reliefers was indeed a simple matter.

The director of the State Employment Service office, a member of the committee, masked a cynical grin. He knew Benny.

Benny did not report to his defense-training class. At ten a.m., he appeared at the State employment office.



The director of the state employment service office masked a grin. He knew Benny

"When the hell are you birds going to place me at the mills?" he asked the director.

"I thought you were joining one of the defense-training classes this morning," responded the state official.

"Think I'm sap enough to work six hours a day for nothing?" sneered Benny. "I'm no sucker! I'm going to get paid when I work."

Mr. Jones was distressed when he heard the news. He was also a bit indignant. He decided to learn more about the bearers of the Remora name.

The director of relief gave a wry grin when Mr. Jones asked for information concerning Benny Remora. He called for the file. Three big "books" of letter-size entitled "Remora, Vol. 1," "Remora, Vol. 2," and "Remora, Vol. 3," were laid before him.

From this source Mr. Jones learned that Benny and older brother, Peter, had refused opportunities to go to C.C.C. camps on the ground that it would prevent them from searching for permanent employment.

Embezzlement but no prosecution

HE discovered that Peter Remora had once accepted W.P.A. employment contingent upon application of his W.P.A. wages to support of the family and corresponding decrease in the amount of home-relief.

Peter, it appeared from the record, had taken his wages and removed himself from the family abode. Relief officials contend that Peter could have been prosecuted for embezzlement had they been able to get Mrs. Remora's signature to a complaint. Mrs. Remora indignantly refused to sign anything that would have meant the arrest of her dearly-beloved son.

But mother still had to eat and the son would not supply the food. She and the other two sons were re-installed on full home relief.

It is known that Peter Remora is now working steadily at good wages in a local plant. He does not live with his mother nor contribute to her support. He is married and has a family of his own. Apparently nothing has been done to recover the money which was paid to him upon the condition that it be contributed to the family support.

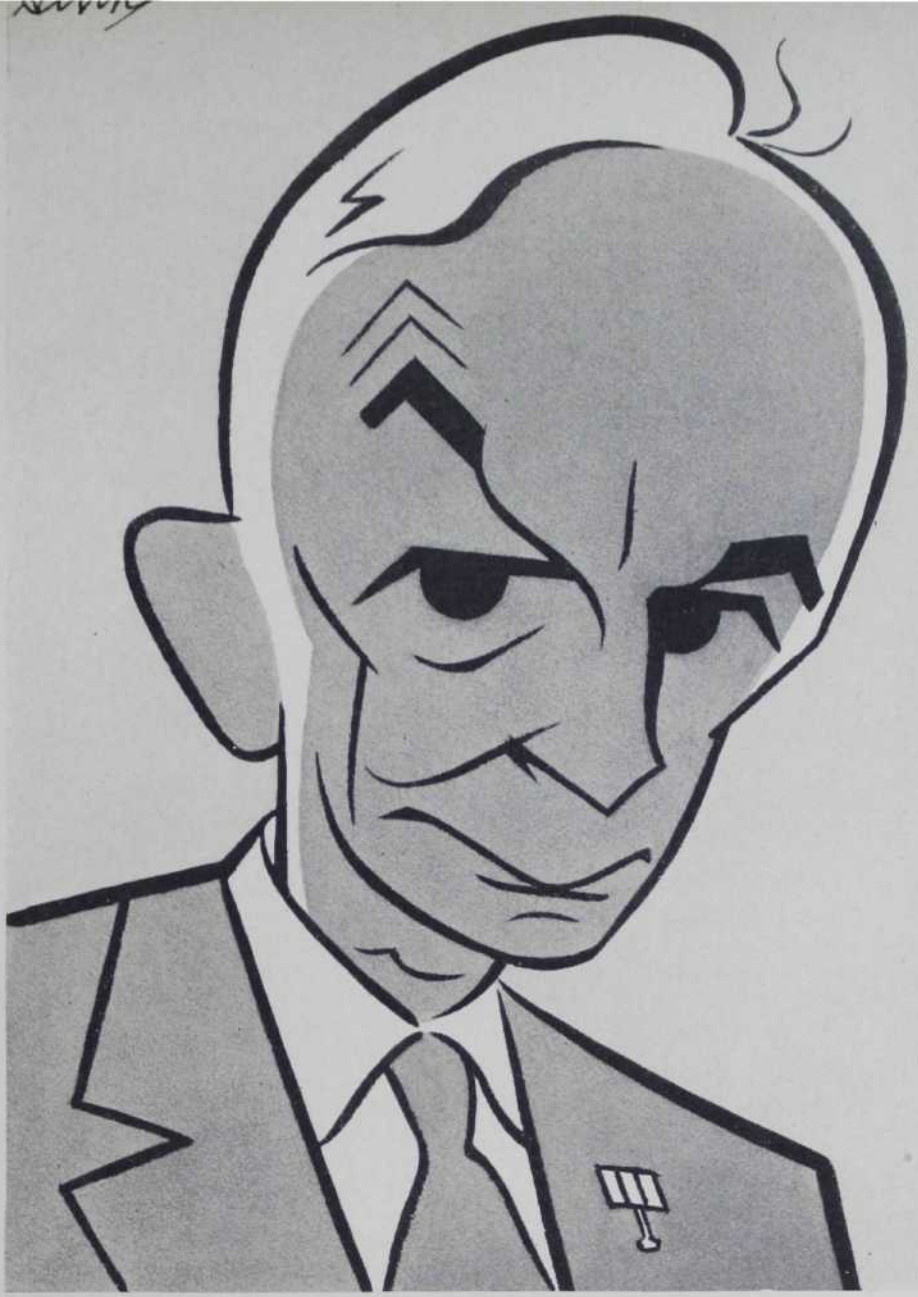
Benny Remora was also offered a W.P.A. job. His verbatim reply is in the record:

> I won't take a W.P.A. job under the condition that I turn my pay over to my mother and you can't make me take it. You've got to keep me on home relief unless you get me a job in the mills. I've got the Attorney General's authority for that.

Some time later the relief office got a job for Benny in a local plant. The young man worked for a short period —interspersed with frequent absences

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Knight in White Armor



LOWELL MELLETT picked up the telephone. A voice said:

"The President wishes you to come to the White House at four o'clock."

That was in 1937. Mellett had just resigned from the Scripps-Howard organization. That phone call made him, in the opinion of many, "the most dangerous man in Washington."

The estimate may be enlarged. It comes from those who profess to see Mellett inspiration behind political strategies for which others take the credit. If they are right, the lack of credit certainly does not bother Mellett. He has always been anonymous—presumably by choice. His position as the most anonymous of the President's six anonymous secretaries fits without a wrinkle. A slight, gray man, given to comfortable tweeds that blend with the background, he smiles, listens and inspires no arguments. Spotlights seldom find him. Ickes may let off salvoes of red fire—stoked, insiders say, with Mellett powder; Hopkins may bay the newest presidential moon; Tugwell, Cohen, Corcoran bask in public applause or ignore its catcalls; Mellett lounges in a corner like an intelligent, friendly, but bored, house cat. He seems innocent of claws—but isn't.

An admiring former associate describes his fighting technique:

"After he walks past, you find your behind in ribbons. Sometimes you don't know it until next day."

That is by way of warning to American news men and their readers—because, if national complications make censorship necessary, Mellett is the most likely censor. He will abhor the word. Those who know him suggest that he may even deny that censorship is being practiced—as a newspaper man he would have fought any kind of censorship—one cannot imagine him issuing flamboyant "*verboten*"; but, the consensus is that man who prints what Mellett does not want printed will find himself nursing embarrassing wounds.



PIX

Who is this man?

Mellett's father was Jesse, who edited and partly owned the *Free Press* in Elwood, Ind.—Wendell Willkie's birthplace—where he raised seven sons. The *Free Press* was not a notably prosperous property—few country newspapers were in those days—but the Melletts were not poor, in their own or their neighbors' opinion. Elwoodians remember the mother as a "good manager" and a devout church woman. From her, perhaps, the boy, Lowell, inherited what strikes many later associates as a "spiritual" quality; something, they hasten to add, which has nothing to do with religion, as such. It is more a selfless satisfaction with his own beliefs and an assurance that those beliefs are right.

"Steadfast" to his opinions

FROM HIS father, he apparently drew a love of printer's ink and a persistence which frequently approaches perversity. One sees something of the son in the elder Mellett's bolting of the Grover Cleveland nomination, although his paper was nominally democratic. The Democratic National Committee excommunicated him which only led him to bolt harder. One imagines that Lowell approves his father's steadfastness to his opinions although he has never talked about it—anonymity again—it is almost a creed.

One man who has known him for almost 40 years, remarked:

"I did not know his father was an editor. I always thought he was a carpenter."

It is pointless to wonder how much future American history might have

been changed had Mellett's youth been spent among miter boxes rather than printing forms. As it was, he doubtless learned something of the newspaper business in his father's plant and, being dropped from school at 13 because of some now-forgotten prank, he went to work on the Muncie *Star*. Pay was $5 a week, which he didn't earn. So he was fired.

Followed a succession of jobs on small papers at wages which he apparently earned because eventually he turned up at the Wheeling *Intelligencer*. He was so scrawny—no other adjective fits—that the boss turned him down:

"You're just a kid."

"I'm 21," lied Mellett, who was 18 at the time. It is significant that, even then, no one doubted his word. It is also significant that his honesty—a trait everyone notices—could forgive a small falsehood which served his good purposes. He is more concerned with ends than with means.

In later life, he once received an appeal from a man who needed a pardon that he might escape the stigma of dying in the penitentiary. The only person who could grant the pardon was a politician and Mellett had been his editorial enemy for years.

Mellett's disdain for those who ask political favors is large but his friendship is larger. He sought a man with "pull."

"Go to Mr. Politician," he said, "and get me that pardon."

The pardon was granted. Mellett continued to take strips of hide off the politician who granted it.

The *Intelligencer* job ended when illness and homesickness caught him simultaneously and he went home to spend six months as timekeeper on a construction gang. Health restored, he moved to the Indianapolis *Sentinel*.

Sensitive about his pay

THERE HE met, as fellow reporters, Roy Howard and Ray Long. Howard proved a helpful confrere. It was he who placed Mellett with the Bovard who is almost a legendary figure on the St. Louis *Post-Dispatch*. That job ended abruptly when Mellett found that his two associates on the rewrite desk were getting $30 against his $25.

"If I don't get $30, I'll leave," he told Bovard.

"Leave," said Bovard.

Mellett did, and joined Howard again, this time on the Cincinnati *Post*. This incident should not be misinterpreted as demonstrating acquisitiveness. Mellett's demand for $30 was probably inspired by a sense of values rather than by a desire for gain. Presumably he was worth $30 because Bovard soon wrote offering it to him. When Mellett, by then chief of the Scripps-McRae legislative staff at Columbus and looking yearningly at New York, turned it down, Bovard sent him a letter to Charley Chapin, famous city editor of the old *Evening World*.

In New York, he and Howard lived together in Mrs. Howard's small flat on Manhattan Avenue.

Those were the days of Cozy Corners and Howard, in the mode then as now, had to have one. He got a Cozy Corner, with dusty mattress, fake spears and an open front tent of spurious Orientalism from a second-hand store.

"In the bed bug belt," Howard recalls.

Lack of space made Mellett sleep there until Howard's indignant mother threw the thing out and brought back an exiled bed. Then Mellett recovered from what he had thought was an attack of chickenpox.

He tries civic reform

AFTER a year under Chapin, he turned to the West, pausing at the Indianapolis *News* before moving on to Tacoma as city editor of the *News*.

There his flair for reform got its first free rein when a group of public spirited citizens decided to clean up the city, put money into a newspaper for the purpose and named Mellett as editor.

His friends are likely to dismiss this episode:

"Lowell always was a reformer. The paper did not last."

That starts one of the few arguments in which Mellett will join:

"It was an honest paper," he says indignantly. "We were making good. But the men who had put in the money had not realized that it is one thing to demand reform and another to admit that they, in the past, had asked favors of politicians, had county roads routed past their farms, or arranged for favorite city streets to be widened."

When the *Sun* shut down overnight, Mellett returned to Washington to take charge of the Scripps-Howard (successor to Scripps-McRae) news bureau. In 1916 he went to London as emergency manager of the bureau, later to Paris as full time manager and, when the United States entered the first World War, he became a war correspondent.

War over, he covered the Peace Conference and acquired a further distaste for public people who were not moved solely by what seemed to him ideals. Back in New York, he put in a year or so as managing editor of *Collier's* before moving on to Washington in charge of the Scripps-Howard News Bureau. Later he became editor of the *News*, Scripps-Howard Washington daily and chief of the system's editorial bureau.

The *News* was a scurrying little paper. It had to be. A tabloid, youngest Washington paper, it had to buck four established, conventional contemporaries. To do this job, Mellett had a small but versatile staff who fought for the paper and laughed at themselves for doing it.

"I have never worked," one of them remembers now, "where the morale was so high or we had so much fun."

A fighting newspaper

HOUSED IN a ramshackle building on New York Avenue, the *News* faced, across a nameless triangular park, the imposing home of Hearst's *Herald* and *Times*. When the *Herald* referred in print to the grass plot as "Herald Square," the *News* staff as promptly christened it "News Alley." When the populace began to call the *News* the "funny little paper," that staff adopted that name. Annoyed by what they regarded as dalliance in the editorial policy of their most powerful rival they dubbed it "The Sublime, Sweet Evening Star" and so referred to it on all possible occasions.

The *News* was always fighting for something: "Higher pay for Government Workers," a six point line that it used for months instead of dashes or cut-off rules; protecting credulous people from fake spiritualists; public ownership of utilities; anything. Its editorials, written or inspired by Mellett, were cogent and read with interest.

A former member of the staff who once wrote a column of his own recalls seeing a man open a *News* in a restaurant and turn, not only past his own column but all the other special departments, to read the lead editorial.

"I told this to Mellett," he says. "All Mellett said was, 'Of course.' "

And those editorials were in pretty fast company, at that. Erny Pyle, Leonard Hall, Milton Mackaye, Willis Thornton, Jr., Walker Stone and Lee D. Miller are among the alumni of the early *News*. Of course, they were a little cramped in the early days. *News* pages were small and advertising didn't justify printing many of them. Compact writing was so desirable that for a while a weekly prize was offered for the shortest story. Once when a famous man, long ill, died as everyone knew he soon must, Pyle, then telegraph editor, covered the event thus:

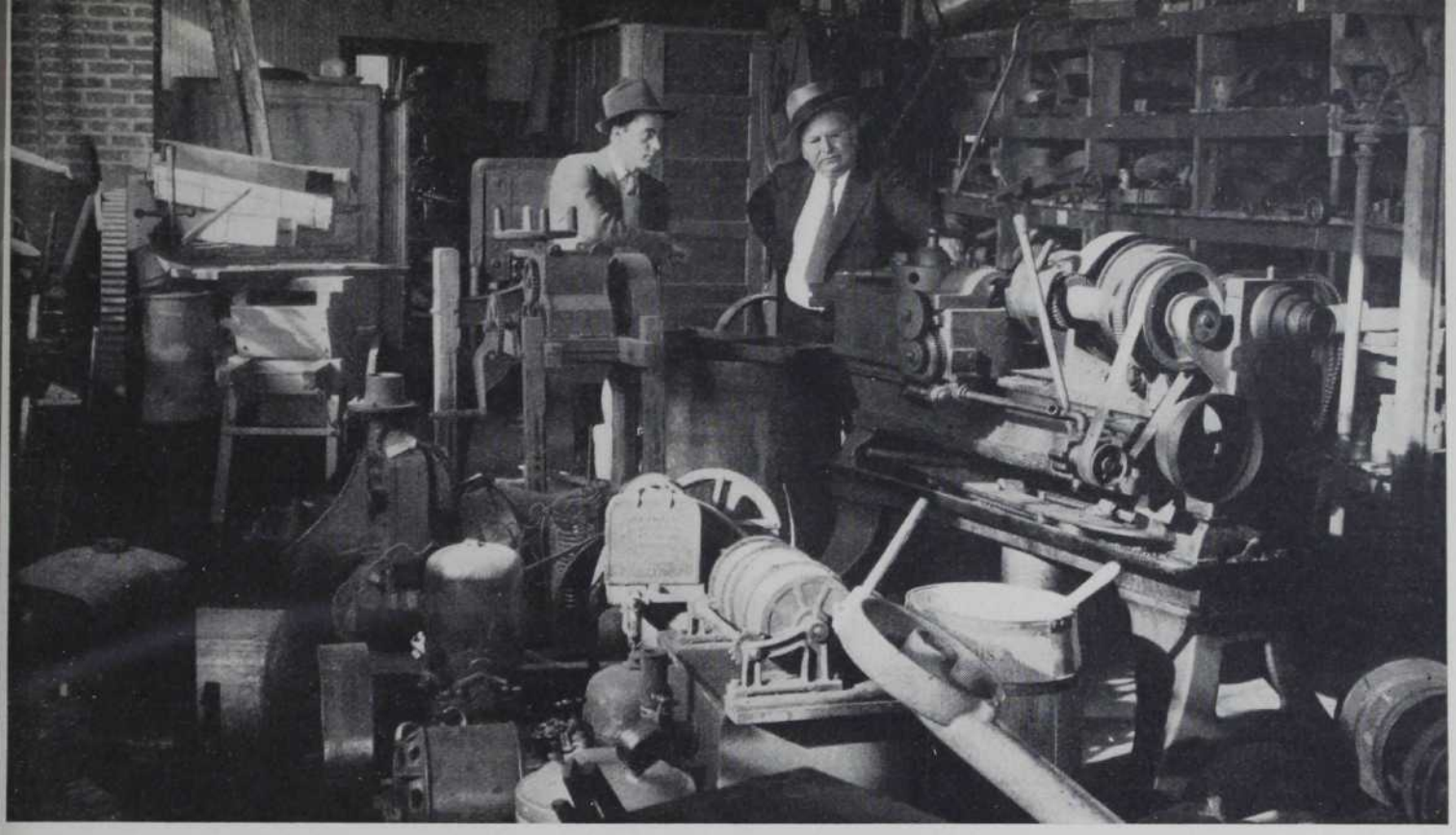
"So-and-so is dead."

That won the week's prize and set an all time record.

Mellett guided this journalistic sideshow with a hand so amused and tolerant that no one felt the pressure of the bit. The *News* paid few high salaries, maybe it couldn't afford them, but its people were taken care of. When men drank away their usefulness, less responsible jobs were found. When one promised talent beyond the *News'* ability to pay, Mellett found him a magazine job at twice the money.

Things like that and the fact that none doubted the boss' ability made the

(Continued on page 84)



Trader John Redshaw started with 12 fountain pens. This is only one of his storerooms now

Painting Home Fields Green

By NORMAN V. CARLISLE

REMEMBER the "Purloined Letter" which searchers could not find because it was right under their noses? Opportunity is hidden that way, too, sometimes



William G. LaPierre lost his keys but found opportunity when he patented a clasp to prevent similar losses in the future

WHAT DO people do in these small towns?

I wondered that every time I went through one of the tiny communities that look as if they'd been sunning themselves for years without stirring. I wondered—and with a little inquiring around, I found the answer, or part of the answer, anyway.

I wondered still more about the towns off the main highways. There must be many of them, I thought. There are. And in some of them I found some amazing answers to my queries.

In Granville, Ill., it was "Swapper Jack" Redshaw. If you have a diamond and yearn for a bull fiddle, if you have a rifle and want a Persian rug, Trader Redshaw can fix you up.

Swapper Jack is an 18 karat example of manufactured opportunity in a small town. Granville numbers 950 souls, but it's a mecca for thousands from all over the country who have something old and want something new.

People who sit around bemoaning the unkind fate that set them down in little towns should take a look at Jack Redshaw, at Hilton Seaverns, at Margaret Lowe, at scores of others like them all over the country. They have disproved the theory that small towns mean small opportunities. Plainly, opportunity is still where you make it, whether you live in a crossroads like Americus, Kan., or a crossroads like New York. The only difference is that, in a place like Americus, you don't have thousands of others with the same idea, for competition. Besides, there's so much noise and confusion in a big city that you sometimes can't hear Opportunity if she hammers on your door with both fists.

Here are the stories of some typ-

ically American successes, hewn out of what you might think would be barren rock, in small towns.

A tradesman who trades

TRADER John Redshaw started out with 12 three-dollar-a-dozen fountain pens. He began to swap them to neighbors for anything he could get. One thing he got was a shotgun. So he took it out to the village traps the next Sunday, and broke 72 clay birds without a miss. One of the other shooters looked at the gun, asked, "What will you take for it?" and Redshaw's business career was really under way.

Swapper Jack has run that dozen fountain pens up into an unknown quantity of merchandise from all over the world—precious stones, antiques, oriental rugs, furs, rare and valuable musical instruments. Name anything—he has it!

There are no price tags, and no inventory, because the business is based on the oldest form of trade. In effect: "You have something, I have something. Let's swap!"

Your criterion of success may be happiness. One look at John Redshaw, big and jovial, his eyes gleaming at the prospect of a good trade, will tell you he's successful. Or your criterion may be accumulation of worldly goods. Look at Trader Redshaw's warehouses, bursting at the seams!

He's only one of many like him, whom I found from one end of the country to the other. There's Margaret Lowe, for instance. She hated to go back to Americus, Kan.—population 450. But she had to, because she'd been dismissed through no fault of her own from her job as a music teacher in Lehigh. Pretty dismal prospect, Americus, she thought, looking out of the train windows.

Then she began to think about the place, and her thoughts inevitably led her to her father's cabinetmaker's shop and the tools which she had learned to use when she was a very young girl. Coupled with the memory came an idea.

Back in Americus, Margaret found that her hands had not forgotten their skill with tools. She began to fashion droll little figures out of Kansas walnut. Greatly to her surprise, they sold. Plaques, too, and trays and other household items began to pour out of that backyard workshop into the gift and specialty shops throughout the state, into other states.

Now, not only has prosperity come to Margaret Lowe in Americus, but to the 15 fellow townspeople whom she employs in making the Marlowe woodcraft products which are gaining fame.

A certain prosperity, a kind of fame, has reached out to tap the shoulder of a youngster in Weiser, Idaho. At 18, George Oliver Smith can legitimately hang out a sign which reads "motion picture producer." Not only that, but he's been in the business for five years.

Produces his own future

ONE Christmas he received a cheap little motion picture projector. That was the start. Within a year he'd sold his flock of sheep, bought himself an electric projector and an eight millimeter camera. All he needed then was subjects. He went out to look for them, and found them in his home town and the surrounding territory.

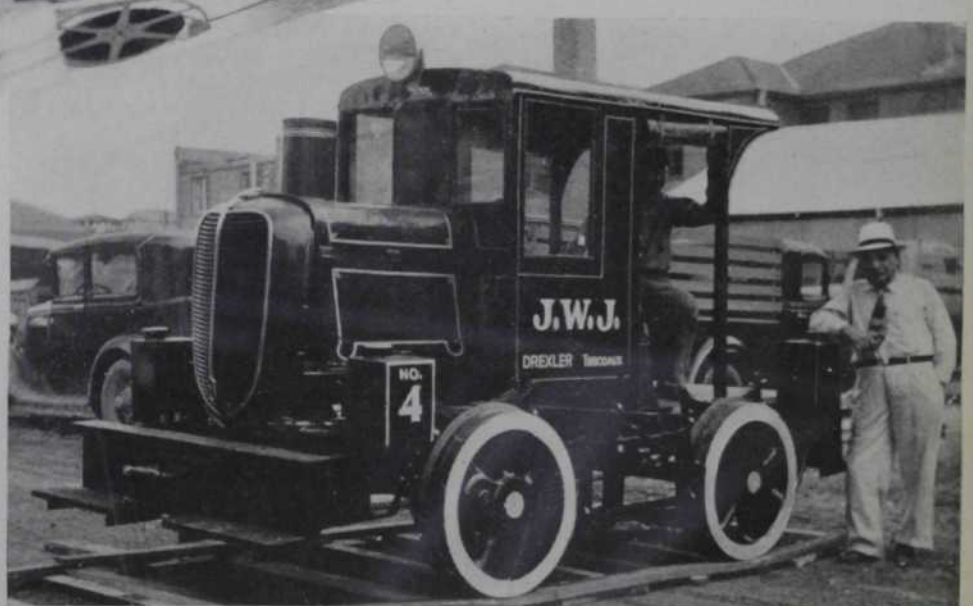
A professional showman, George makes first-rate advertising short subjects for business firms throughout the state. Travel shorts are popular with his clientele, too, as well as shots of visiting celebrities. Everything's grist for his camera. He talks, acts, writes, takes and operates the movies, as well as being his own business manager, and he's accumulated a 10,000 foot film library, self-taken, self-financed.

You wouldn't think that a $3.98 movie projector and a town the size of

(Continued on page 94)



A $4 movie projector was all it took to start George Smith, 18, as a successful producer



Need a fire engine or pile driver? J. S. Drexler, who built this locomotive, makes them out of junked autos

What's Ahead for America?





HANDY & BOESSER

Albert W. Hawkes is the new president of the Chamber of Commerce of the United States. Meeting the press after his election, he quoted the Chamber's long-established slogan: "If it is not for the public good, it is not in the interest of business."

He knows both people and business. Born in Chicago, he absorbed middlewestern viewpoint as student, lawyer and business man; came east, now lives at Montclair, N. J., where he is president and chairman of the board of Congoleum-Nairn Inc. Other business connections include presidency of Congoleum, Ltd., Canada; directorships Michael Nairn-Greenwich, Ltd., England; Technicolor Motion Picture Company and Technicolor, Inc. Previously was with Nichols Chemical Co. and the General Chemical Co.

Believes that "this emergency calls for understanding, cooperation and willingness to work and sacrifice on the part of all the American people," but did not wait for emergency to begin his own efforts. He has been a vice president of the New Jersey State Chamber; also, a director—recently national vice president—of the National Association of Manufacturers.

He was chairman of that organization's Employment Relations Committee and a member of a five man committee recently appointed by Governor Edison to promote industrial peace in New Jersey. In the World War, he was a director of the Chemical Alliance, Inc., an agency which assisted in procuring chemicals for war production. Now he is a member of the New Jersey State National Defense Council.

Interested in the younger generation, he gives aid and counsel to the Junior Chamber of Commerce and 4-H clubs. He is shown here congratulating John Scott Warner, 4-H'er who raised New Jersey's prize baby beef for 1940. Mr. Hawkes bought the beef, served it to leading industrialists and farmers at a banquet where young Warner and New Jersey Secretary of Agriculture Willard H. Allen were honor guests.

What's Ahead for America?

IT HAS BEEN SAID that there are two sides to every question. True, but it is more exact to say there are three sides to every question. Your side, my side and the right side. And it is only because our democratic tradition of tolerance makes me willing to listen to your side and you to my side that we may both hope to approach somewhere near the truth.

This may be one reason Americans have made the greatest success in government. Dictatorships have only one side. Men are liquidated but not errors. See Russia. Or the Grand Monarch. Or George III.

Free discussion is not only a right. It is a duty.

We speak of the seat of government, national, state, county or city. It would be more accurate to say the centers of government. The seat of government is wherever Americans gather. Because this is a government by public opinion, every convention is a part of the democratic process. Whether the group represents business, labor, agriculture, transportation or finance, its deliberations help determine public policy. Resolutions are often passed which are sent to the official lawmakers. But, whether formal resolutions are adopted or not, there is an impact upon government.

Parliamentary government is government by talk. That is what the word means. Only because of talk do we obtain the "consent of the governed." The big question today is whether that kind of government "shall long endure" here or anywhere.

Whatever the interest of the particular group may be, it is part of the whole. And the whole is what Lincoln called "this last, best hope of earth." I don't know whether business men or other men often think that they belong to the lawmakers. But every citizen in America *is* a king even though his title is plain Bill Jones.

Whether this fact was on the conscious surface of their thinking, I don't know. But intuitively those who gathered in Washington to attend the Twenty-Ninth Annual Meeting of the Chamber of Commerce of the United States had this sense of responsibility.



LOHR

A Lawmaker's Impressions: Seeking an outside viewpoint of the annual meeting, NATION'S BUSINESS asked Samuel B. Pettengill, lawyer and former Congressman, to attend and write his impressions.

Born in Oregon, raised in Vermont, graduated from Yale Law School, Mr. Pettengill, a Jeffersonian Democrat, settled in Republican Indiana, was four times elected to Congress. Took part in legislation dealing with securities, stock exchanges, utilities, petroleum, transportation, motion pictures. Served on Shannon Committee investigating Government competition with business; wrote long and short haul bill. Was active in defeat of Court packing bill.

Quit Congress voluntarily to practice law in South Bend and write a newspaper column. Is author of "Hot Oil," "Jefferson, the Forgotten Man," and "Smoke Screen"—largest non-fiction book of 1940.

In 1940, succeeded Frank Gannett, Rochester publisher, as chairman of the National Committee to Uphold Constitutional Government, a group—now incorporated as Committee for Constitutional Government—active in defense of constitutional principles.

As a member of Congress I had, in the past, received copies of the Chamber's resolutions, just as I received the resolutions passed by a hundred other organizations. I read them, as my colleagues did, but I did not visualize the human elements involved in reaching this platform on which all business could stand. I had understood only vaguely the Chamber's ideals as stated by W. Gibson Carey, Jr., a former Chamber president, at the annual banquet:

> The Chamber is thoroughly tolerant in that its operation is free from any influence of party, race, creed, size or position. It believes in a free press, in private property, in reward commensurate with productivity and in clear laws applicable equally to all men. It believes passionately in our form of government with its checks and balances. It thinks that hard work, foresight, invention, thrift, sacrifice and character are essentials of progress. It fights for the rights of the individual and of the minority.

I had felt, as perhaps my colleagues felt, that the U. S. Chamber represented Big Business. This, of course, is not true. Although large-scale business is represented, the U. S. Chamber is essentially an organization of small business men, some 675,000 in number, a membership belonging to 1,218 Chambers of Commerce and 421 trade associations. Every business in America is represented as well as many of the professions. Consequently, it can be said with justice that, when the United States Chamber speaks, it speaks for no "special interest." If it did, it would immediately divide its own ranks—wholesalers against retailers, manufacturers against raw material producers, railroads against trucks, fuel oil against coal.

Most of these groups have their own trade associations and it is entirely proper that they do. But the Chamber necessarily speaks for all. It is a pyramid which stands upon a broad base of business



Here 2,500 delegates representing the 675,000 business men of the Chamber's membership, figuratively rubbed shoulders with the 135,000 government employees—in Washington alone—who tell them how to run their business



LOHR

A nation-wide view of business was provided in the reports offered at the session "Business and Defense." **H. F. McCulla** *reported:* "The drift of skilled workers from the Northwestern Division threatens difficulty for the whole nation."



SCHUTZ

Roy C. Ingersoll: "North Central Division has striven untiringly for defense, but strikes arouse doubts in their minds."



SCHUTZ

Walter L. Graefe: "The Southeastern Division will show more development in the next few years than any other section."



William D. Disston: "The Northeastern Division is learning that restraint and cooperation are better than government controls."



LOHR

Roy E. Hegg: "In the Western Division business is booming. Rehabilitation after war will prevent a slump then."



LOHR

Raymond Rebsamen: "If artificialities were removed, Southwestern Division would utilize its resources to improve economic condition of whole nation."



B. F. McLain (left), Dallas, chairman of Chamber's Distribution Comm., with **J. H. R. Timanus** (center), Philadelphia and **Arthur Gunnarson,** Chamber Staff.



Fred Lazarus, Jr., Columbus, said freezing prices at low level would eliminate marginal plants.

PHOTOS BY LOHR



Domestic Distribution Committee has a breakfast meeting.



Harriet Elliott said price control was on the medicine shelf.

Do High Prices Lie Ahead?

AHEAD of all else in the present concern of distributors is "What will happen to prices?"

They were told by Harriet Elliott, O.P.M. Consumer Commissioner, that "Price control is on the medicine shelf, waiting for Dr. Henderson to take down the bottle whenever the patient gets really sick, or when he looks so likely to be ailing that a preventive dose becomes wise."

Chairman B. F. McLain of Dallas, Tex., predicted that holding down prices would be almost impossible if, to the inflationary influence of higher wages, is added restricted production.

"We who are engaged in distribution," he said, "must reconcile ourselves to accept any sacrifice that contributes to defense. We would, however, be remiss in our duty if we did not express an honest conviction that disruptive checks in production and distribution can be seriously detrimental to national welfare."

The danger of eliminating marginal or obsolescent plant from production by freezing prices at a low level was suggested by Fred Lazarus, Columbus, O. Full capacity production requires the utilization of this plant, but prices must be high enough to cover its higher operating costs. He also pointed out that consumer demand is rising.

Problems of a wholesaler in a jittery market, faced by uncertain military demands, upset foreign markets and impending price fixing, were sketched by William H. Tyler, Fort Worth, Texas. In these times distributors need the vision of seers to look ahead as much as a week.

management in every community. When, therefore, it speaks on such a subject as taxes or reduction of government expenditures it cannot do so with the purpose of shifting the tax load from one shoulder to another. If it did, it would wreck its own organization. The fact that the Chamber has survived almost 30 years of wars, booms and depressions, demonstrates, therefore, the unity of business purpose that supports its declarations.

Organized at the suggestion of President Taft in 1912, the Chamber was but five years old when its delegates gathered to grapple with problems almost identical with those they face today.

I talked with several old timers who recalled that meeting of 24 years ago. It was held two and one-half months before the declaration of war against the Imperial German Government.

The talk then was that Germany was winning the war with her terrific submarine toll of shipping, including several American vessels. The press had reported Lloyd George as telling his hard-pressed countrymen that the national debt didn't matter. The program that year was largely built around preparedness and the rumors of a war to end war. How to get peace plants ready for war production; the possibility that conscription would have to supplant voluntary recruiting for the Army; a suggestion that daylight saving be adopted; proposed federal operation of the railroads. Those were among the topics discussed.

Former President Taft made a speech outlining the much-talked-of League to Enforce Peace, once the guns should be stilled "forever" in Europe. Two or three Cabinet officers who had been scheduled to speak failed to appear because the international situation was so grave that they could not leave their desks.

War is a bad debt

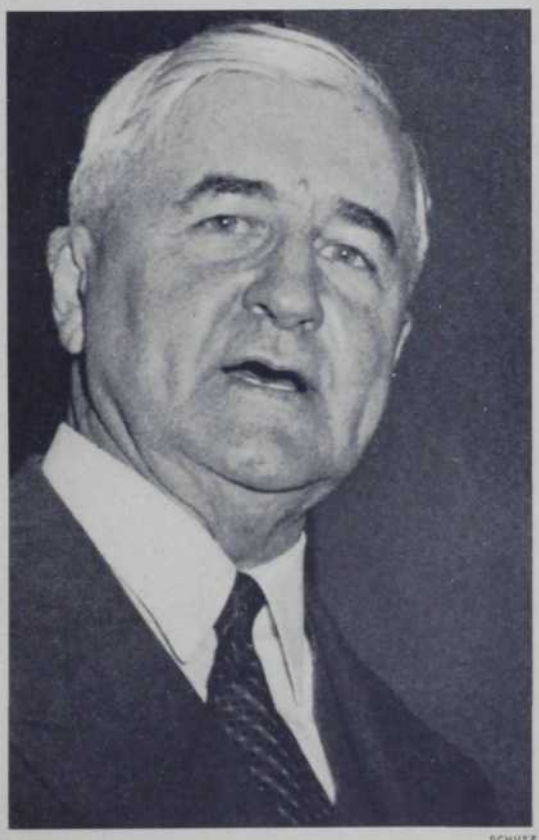
"AND history with all her volumes vast, hath but one page."

So wrote Lord Byron. Seed time and harvest. The hope of unending peace; the fact of unending war. In 1917 a war "to make the world safe for democracy"; today "the four freedoms" everywhere for everybody—now. Then, the League of Nations; today "Union Now."

But there are differences. In 1917 on England's side were Belgium, France, Russia, Japan and a dozen smaller powers. Today Britain fights alone. Her former allies are her foes. In 1917 there was some enthusiasm for the war; today, none.

I did not find a man who took any pecuniary satisfaction in the fact that he had a defense contract. I think it can be said with truth that the business men of America are not happy beating plow shares into swords. I don't think this was true in the last war.

It has been said that the World War bred 20,000 millionaires. No one has any such thought today. The year's business may be on the plus side but business men know that war is a liability to business and to civilization. National defense is imperative, whatever the cost, but it isn't a self-liquidating investment. It is an economic loss. A bad debt. And business men have sons. Chasing rainbows has lost its lure. Whether we fight or defend, it is a mean mess.



SCHUTZ

Jesse H. Jones, Secretary of Commerce: "We are faced with a situation in which the present, for the time being, must also be the future. Only the degree in which we subordinate everything to the immediate job at hand counts. In that way we can safeguard the future; and in that way only."



John D. Adams (right) of Des Moines, president Nat'l Ass'n of Commercial Organization Secretaries, presided over Nacos dinner where O.P.M. Director of Purchases, Donald Nelson, related buying problems in defense setup.



Bishop G. Bromley Oxnam: "If, by 'business as usual' business men mean the continuance of an economic life motivated by self-interest . . . it is quite certain that business tomorrow will not be as usual. . . . The business man is called upon to think in social terms, cooperate with forces moving toward justice and regard brotherhood as more than preachment. It is he who must find technical means to make the essential ideals of religion the practice of the common life."

This was brought home at the first general session of the meeting when Jesse Jones, Secretary of Commerce, told the delegates:

> A few months ago we were worrying about whether we could afford to increase government borrowing authority above $45,000,000,000. It seems probable now that it will grow to at least double that amount, even allowing for paying as much of this extraordinary cost from current taxes as our economy can stand. Frankly, it has never occurred to me that we could not carry a national debt equal to a year's national income and, as we build the national income, we can carry more debt.
>
> But whatever amount we have to borrow, we must begin to pay back the day the emergency is over.

Realistic listeners left the meeting shaking their heads.

"Does he think there will be no emergency when the present emergency is over?"

"The national debt is not the only debt. . . ."

"We don't have a $90,000,000,000 income. . . ."

Those were some of the comments. Other listeners recalled that the national debt in 1917 was only $1,712,549,476 and that federal taxes in the last fiscal year before 1917 were $726,000,000 whereas today the debt already exceeds $50,000,000,000, direct and indirect taxes today estimated at $14,452,000,000 with the federal share more than $5,000,000,000.

But—whether in 1917 or 1941—a trip to Washington is a glimpse of history in the making. Business men were curious to see the capital in the throes of organizing the nation's industries against the threat of war. Having been forced to much pulling of wires to get hotel reservations, the delegates looked at boom town Washington and found it zooming to heights not even attained in 1917. Here civilian war workers are sleeping five in a room and dollar-a-year men are as thick as congressmen.

Here 2,500 business men, gathered in a serious effort to learn "What's Ahead for America" and to plan accordingly, figuratively

rubbed shoulders with the 135,000 government employees who, in effect, tell them how to run their businesses.

Business men have accepted reasonable regulation as necessary to the public interest. They are willing to take off their coats, but they have had little encouragement. Here and there was an ironic smile as Mr. Jones said:

> Industry and labor are the two stars in this world drama. They must cooperate to the end that the limit of production is measured only by the capacity of our machines running on a 24-hour basis. When differences arise, they must be settled quickly. I know that it is the disposition of the President and those associated with him in government that all be treated fairly and that no part of our society will be expected to make undue sacrifices to favor another.

As he spoke, the coal strike had already lasted a month; 400,000 men out of work; $60,000,000 of wages gone forever; blast furnaces closed down for want of fuel. Defense delayed, its cost increased. A nation stymied—blockaded at home.

A mile away was the fine new building where, as the convention sat, the Supreme Court, in two cases, approved Labor Board theories adding new difficulties to the production of goods.

One was the Phelps-Dodge case. Here it was held that an employer could not refuse to hire applicants for jobs because of union membership despite the fact that the employer-employee relationship never existed. Refusing, the company is obliged to pay the regular wage to men never employed. Back pay must be given to total strangers to a labor contract!

Commenting on this case, one of the convention delegates, a large employer of labor, remarked:

> There is a curious paradox in that decision. Chief Justice Hughes and Justice Stone dissented on the main point because they thought it

Dollar-a-year men, two score in number, inspired unscheduled session of meeting. Headed by William S. Knudsen, heads of defense units heard retiring president, James S. Kemper, acknowledge patriotic example they had set. Said Mr. Kemper: ". . . Modern wars are won on factory floors, because the equipment that produces the machines of war is barren without the life-giving touch of management and men. Our national safety rests at base on the thoroughness with which American business men do their part. . . . It gives me real pleasure to greet you members of the business community who are giving your time, your experience and your practical leadership fully and freely to the cause of national defense. . . . Most of you have served in various capacities in the work of the National Chamber. . . . We salute you as fellow workers in American business; we salute you doubly as patriotic Americans."



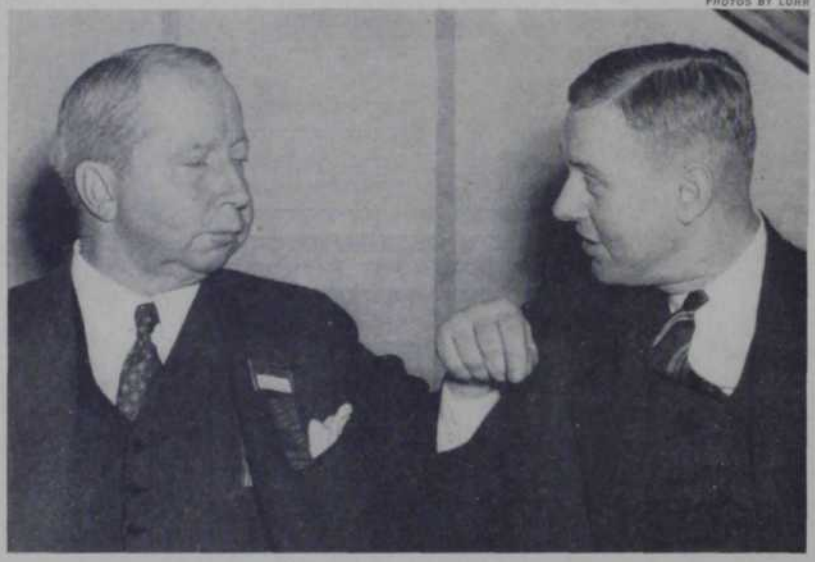


Eric A. Johnston (left), electrical goods manufacturer of Spokane, exchanges views on labor with **Chester M. Wright.** Mr. Johnston is a newly elected vice president.



F. H. Mueller (left), Grand Rapids, and **Otto Seyferth** (right), president West Michigan Steel Foundry Co., Muskegon, Mich., get opinions of **Thomas C. Boushall,** president Morris Plan Bank of Virginia.

PHOTOS BY LOHR



Clifford S. Anderson (left), secretary, Norton Co., Worcester, chairman of Manufacturing Comm., listens—**John R. Steelman,** labor conciliator, does the talking.

Defending the Right to Strike

ONE of the best attended meetings was the one dealing with labor. Those who have considered the Chamber as a nest of Neanderthalers should have listened in. Nowhere was there a note infringing upon the legitimate rights of the men behind the machines. Quite the contrary. Chester M. Wright, Editor of *Wright's Labor Letter,* said, "I'd rather have a strike than a law to stop strikes." However, the feeling was manifest that both strikes and lockouts should be suspended through mutual consent. "The effects of the Allis Chalmers strike streaked through war production throughout the country like an invisible panzer division of catastrophe. Man-days lost are not days postponed, they are days *lost*." Mr. Wright says there has been sabotage and will be more. The blame, he said, rests upon some employers, upon politics, and upon labor leaders.

Dr. John R. Steelman, Director of Conciliation, of the Department of Labor, discussing "The Place of Mediation," did not discount the seriousness of strikes. It was some comfort, however, to note the old rule that happy marriages are not news, while divorces make the headlines, when he said that a study of 184,000 manufacturing establishments shows that less than two per cent of these firms have had any form of work stoppage due to labor trouble in the past 12 months. Dr. Steelman opposed compulsory arbitration—the apparent sentiment of the convention.

A stirring plea to both management and men to establish a better understanding of each other's problems was made by Albert W. Hawkes.

Commenting on statements that current strikes have not been of alarming proportions, Mr. Hawks drew applause when he said, "I contend that one strike, or the loss of one hour in any industry that is doing work vital to our national defense program, is too much of a loss and a reflection on the party or parties causing it. The sins of a few capitalists in the post war years were visited upon all capital. This can happen to labor."

Mr. Hawks enunciated a six-point program for industrial peace for both labor and capital. "The rights of neither capital nor labor can be destroyed without damage to both. The curtailment of individual rights, whether of worker or investor, leads to state socialism, in which the dictator tells both capital and labor what they will do and what they will receive for doing it."

was too broad an interpretation of the Act. But, on the ruling that the Board had no right to order payment of back wages without deducting what the workers had earned on other jobs during the interim, also written by Justice Frankfurter, I see that Justices Black, Douglas and Murphy dissented. Each group of dissenters held the decision to be an assumption of powers which the Court does not enjoy under the Constitution. Too bad they didn't find the unconstitutional invasions in the same place.

The other case involved the Pittsburgh Plate Glass Company. That company has six plants widely separated. In five of the plants the C.I.O. workers were in the majority. In the Crystal City plant 1,500 out of 1,800 workers belonged to a different union. The effect of the court's decision is that the 1,500 have no option except to be represented by a union they do not want to represent them!

If, in a township with 1,800 voters, 1,500 selected a representative to the state legislature, he would be permitted to take his seat. Not so if the choice is made by workers.

Local self-government in the field of political affairs; denial of it in labor affairs.

One delegate called it an apt illustration of how far we have gone in this country in copying European models such as the cartel and the subjection of all workers to the will of the strong, which soon becomes the will of the State.

The convention was plainly opposed to making strikes illegal. Retiring President James S. Kemper, Chicago, declared "such a



LOHR

W. Gibson Carey, Jr., former Chamber president: "True patriotism is not a thing of the moment. It must be ever abiding in every heart. It should inspire us to solve in tolerance the problems of the moment without sacrificing the interests of succeeding generations. This is the meaning of the Chamber. It stands for an America constantly adjusting to new conditions but never forsaking the vision of our fathers."



LOHR

Fire Chief Kenna of Hartford, J. H. R. Timanus, Col. H. P. Dunham

Widening Bottlenecks of Fire Defense

THE ANNUAL chamber of commerce fire waste award presentations were made by J. H. R. Timanus, secretary, the Philadelphia Contributorship for the Insurance of Houses from Loss by Fire. Plaques were presented to Philadelphia as the winner in Class I, cities of 500,000 or more; Providence, R. I. in Class II, 250,000 to 500,000; Hartford, Conn. in Class III, 100,000 to 250,000; Lakewood, O., in class IV, 50,000 to 100,000; Parkersburg, W. Va., in Class V, 20,000 to 50,000; Salisbury, N. C., in Class VI, under 20,000.

Grand award for the best record in all classes went to Hartford, which excelled in all phases of fire prevention efficiency.

step would be the worst possible way to deal with the problem." New President Albert W. Hawkes, New Jersey, announced his opposition "to the enactment of any laws, either for the announced purpose of assisting labor, industry or capital, unless those laws contain that brand of mutuality which . . . flows both ways."

The Chamber might, if absolutely necessary in case voluntary cooperation failed, favor a statutory cooling-off period but not a denial of labor's last remedy.

There were two reasons for this.

One was expressed by William Knudsen, head of O.P.M., in a recent statement before a congressional committee:

"You gain little by exchanging a strike for a slow-down."

The other reason is more fundamental. That is the recognition of the essential injustice of denying the right to strike. If this is done, we have gone far to Hitlerize America and make American working men little better than peons.

Nevertheless, delegates raised the question whether we can successfully wage a foreign war and a smokeless civil war at the same time. There was much discussion of recent events in Milwaukee and Detroit where men who wanted to work were denied the right to work even when work was requested by the nation itself. Delegates asked themselves if a million young men must die, if necessary, to resist aggression abroad while we do little or nothing to protect the victims of goons at home. One man summed up the opinion of many:

> We say, and say properly, that employers shall not hire thugs. We permit unions to hide thugs. We say, and say properly, that employers shall not hire imported strikebreakers. But we permit imported strikemakers. We say that it is an unfair labor practice for an employer to discuss unions with his men. But Government stands idle while base-



Philip J. Fay, San Francisco, member of the Chamber's National Policy Council, brought California ideas to Washington —compared his community viewpoint with delegates from East, Midwest and South.



Chief of Staff General George C. Marshall (left) asked business men for their help in preserving morale. **Admiral Stark** (center) said Navy was patrolling 2,000 miles from its Atlantic bases. **Thomas H. McInnerney,** chairman, National Dairy Products, presided at defense meeting.



SCHUTZ

L. Ward Bannister (left), Denver attorney, member Natural Resources Comm., gives an opinion to retiring president, **James S. Kemper,** Chicago.

James D. Francis (left), coal man from West Virginia, presided at Natural Resources conference where **John W. Finch** (right), former director U.S. Bureau of Mines, spoke.



LOHR



LOHR

Governor Ralph L. Carr, Colorado, (left) and **John E. Benton,** Washington.

Is the Super-State Ahead?

RALPH L. CARR, fighting Governor of Colorado, attacked regional administrative authorities as destructive of state sovereignty. They are irresponsible agencies "neither federal nor state-like in nature," exercising powers beyond the constitutional realm of the President, he said. Specifically, the Governor denounced the proposed Arkansas Valley Authority and the division of the nation into "nine regional river basins which will place the people, their lives and their future under a super-state." The super-state would consist of a three-man board, not elected by the people or removable by them, which would for all practical effects exercise a power of veto or repeal over governors and state legislatures, through its control over the allocation and the use of water.

Discussing the coal situation, James D. Francis, president, Island Creek Coal Co., suggested that, since we have a law compelling employers to bargain collectively with labor, there should be a corresponding requirement that labor bargain collectively with employers.

Speaking of the effect of the recent coal strike, he said:

"We have used up 80 per cent of our reserve supply of coal above ground during this period. Steel production, other vital materials, have been reduced and many factories have been closed. Others will have to close before a supply of coal can be mined and delivered to the users. I think our national defense program has been delayed 20 to 30 days by this strike. Mines that have stood idle for 30 days take some time to get rolling. It takes some time to get people back and accustomed to their work."

Defense requirements in petroleum and the importance of integration in the industry were discussed by Robert E. Wilson, O.P.M. oil consultant, and Paul G. Blazer, president, Ashland Oil and Refining Co. Dr. Wilson made the interesting statement that the Axis powers are getting along with a total petroleum production equal to only about five per cent of this country's production.

Dr. John W. Finch, consulting engineer of New York City, examined the adequacy of national resources in strategic metals and expressed concern with regard to "the smug assumption that adequate reserves of such metals as copper, lead and zinc exist."



LOHR

Eliot Wadsworth, Sir Gerald Campbell, and **H. R. MacMillan,** left to right.



SCHUTZ

Thomas J. Watson warned of economic difficulties that will follow the war.

Guests at International Chamber of Commerce dinner heard **British Minister Campbell** and **H. R. MacMillan** of Canada thank U. S. for aid.



LOHR



SCHUTZ

Willis H. Booth (left) former president International Chamber and **Mr. Wadsworth.**

ball bats and gas pipes are used as convincing arguments to join unions. We uphold, and properly, the right to strike. We do little to defend the equal right to work.

That is the first right of all. It is the right to live. It comes ahead of freedom of speech, press, worship or the right to vote.

At a luncheon table a man who had given the subject much thought carried the discussion further:

"No American should be required to pay tribute against his will for the right to work. He should be protected in his right to join a union and have the benefit of collective bargaining if that is his free choice. He should also be free not to join. Or, if he joins a union, he should be free to join the union he chooses. If he is not protected in these rights, he ceases to be a free man and becomes a slave."

"What would you do about it?" someone asked.

Taxes! Revenue or Reform?





LOHR

Marriner Eccles: The Morgenthau plan for defense revenue raising is right and proper . . .

The best sources are increased excess profits, corporation and individual income taxes . . .

By tapping excess profits at the source, demands for higher wages will be forestalled . . .

Exemptions should be reduced and the income tax base thereby enlarged . . .

A general sales tax is inequitable because it falls heaviest, relatively, on those least able to pay it . . .

If necessary, a gross income tax should be imposed and collected at the source . . .

We must abandon the idea that taxation is merely a means for obtaining revenue.

The primary consideration is its economic effects. It can be used to prevent inflation. Selective sales taxes on such goods as automobiles and mechanical refrigerators would have the effect of reducing demand on these items and diverting their plant and material resources to armament . . .

Federal assistance in the social field should not be materially curtailed . . .

Ellsworth C. Alvord: The Morgenthau plan for defense financing is "severe and unrealistic . . ."

The sound course would be to begin by reducing drastically—by at least $2,000,000,000 annually—the non-defense spending of the federal Government . . .

Instead of raising an additional $3,500,000,000 by increased rates, principally on incomes and business profits, as Secretary Morgenthau proposes, it would be better to raise about $1,500,000,000 from excise or sales taxes, or from a small tax on gross incomes collected at the source, or from both. This, together with a saving of $2,000,000,000 on non-defense spending, would provide the same amount for armament . . .

War taxes should be so distributed that no group is required to sacrifice too much. The rates proposed by the Treasury would tend to "liquidate" that middle class group earning between $2,000 and $20,000 a year—persons with fixed commitments which they cannot adjust to meet such drastic burdens. A revenue measure such as that suggested by the Treasury would be the greatest leveller we have ever seen . . .

The World Today; Business representatives from all parts of the United States, guests from Canada, Latin America and countries overseas, together with considerable representation of official Washington, attended the twentieth annual dinner of the American Section of the International Chamber of Commerce. (Photos page 46.) Short wave radio carried the proceedings to every part of the world.

Sir Gerald Campbell of the British Diplomatic Service, now Minister at the British Embassy in Washington, discussed the wartime situation as it affects the British Empire, bringing out fundamental points of view and attitudes of his countrymen. Explaining why, since the passage of the Lease-Lend Act, the United Kingdom should pursue a policy of maintaining exports he said:

I think the answer is that, in spite of the fact that she will now receive from this country all the supplies that she needs without current payment, she still has large existing commitments to pay for in dollars—I believe the amount is more than $1,000,000,000 and that the British Empire will still have a dollar budget to meet apart from all that is received under the Lease-Lend Act. So there is no need for me to underline the fact that, the dollar position being what it is, the United Kingdom must strain every nerve to continue to export to the United States and other dollar countries to discharge her outstanding dollar commitments—indeed anything which adds to our dollar earnings is a contribution of first-rate importance, and the British Government is obliged for this reason, if no other, to go on giving every assistance to the export trade to the United States.

H. R. MacMillan, Vancouver exporter, President of the Canadian Chamber of Commerce, stressed the common interests in life of Canada and the United States, and the tie-up with the British Commonwealth:

Canada has been at war 603 days. Every day of war she has drawn heavily on your moral and physical support for which contributions based on deep friendship we are eternally grateful to you. It is fair to say her munitions industry has been erected upon foundations of your technology, equipment, and essential materials. Finally you have consolidated and multiplied Canadian strength by the agreement between President Roosevelt and Prime Minister Mackenzie King whereby the resources of our two countries are pooled for the defense of this continent, its peoples and their liberties. Our two nations should increase in wealth and strength by an ever widening exchange of goods and services.

Eliot Wadsworth, chairman of the American Committee of the International Chamber of Commerce, told how the International Chamber has kept its offices open in Paris, and described the wartime activities of the organization.

Noticeable was the repeated reference to the problems of the future, especially economic reconstruction after the war. That subject was especially emphasized by **Thomas J. Watson,** President of International Business Machines Corporation, Honorary President of the International Chamber.

"Well, to begin with, if I were the Government and men were violating the law, barricading streets, stoning those who want to work, I would not send mediators and conciliators to negotiate a settlement with their leaders. No one can mediate under a gun. Today we wink at law breaking. We recognize the leaders of mass violence."

"What about the right to strike?" asked a newcomer.

"By all means preserve the right to strike, but protect the right to work, too. Let those strike who want to. Let those work who want to. If the majority want to work and are protected, that takes care of the strike."

A fellow across the table nodded.

"We all know that at Allis-Chalmers only a minority wanted to strike. The majority was helpless because public authorities would not protect them."

"Working men know better than anybody else whether a strike is justified or not," said a man with calloused hands. "If it is, they will walk out. If it isn't, nobody can make them believe it is."

"Your plan is all right, as far as it goes," one of the diners suggested, "but you need to do something about this business of importing men from distant cities to use the clubs. Picketing is a part of free speech. So long as it is peaceful, it is a legitimate way for workers who believe they have a grievance to make that grievance known to fellow workers. But it should be a criminal offense for any person to serve on the picket line unless he is a *bona fide* employee of the struck plant. Men who know each other are not generally likely to use violence to enforce the will of a minority."

Edgar V. O'Daniel, vice president, American Cyanimid Company: "We are now living in a time when the voice is not heard, unless backed up by instruments of force."





F. A. Irish (left) a banker of Fargo, North Dakota and **George W. West,** president of a savings and loan association in Atlanta, Ga., may have been figuring out who is the best risk —a Dakota farmer or a Georgia planter.



LOHR

On Monday the delegates were treated to a free buffet lunch in the patio where they could get acquainted, exchange ideas and swap stories. Before and after lunch they listened to reports on business prospects by representatives from six different sections of the nation.

A man who had taken no part in the discussion summed it all up:

> Sam Gompers once said that violence wins nothing in the long run. When their cause is just, the workers always have public support. They are losing that today. The recognition of the fundamental right to work would, in the long run, be beneficial to unions. It would encourage level-headed and fair-minded workers to rise to leadership in their organizations. That kind of leadership would be assured of public support.

The greatest interest of the convention was shown in four subjects: national defense—repeatedly called the biggest job before the nation today—labor, taxes, and finding a cushion for the post-war slump. Attendance records were broken when Admiral Harold R. Stark, Chief of Naval Operations, and General George C. Marshall, Chief-of-Staff, United States Army, appeared on the same luncheon program. They made a splendid impression. The feeling was general that President Roosevelt had named top-flight men to head the country's armed services.

It has been said that "if you are not a poet, you are lost." It is no disparagement of the machine-gun quality of his speech to note that there is something of the poet in Admiral Stark: "Patterns which the Carthaginian captains in their triremes set for us in the misty morning of the older world." Or, "faith in the mother nation that breeds us, and sends us out to serve."

There is imagination in these words, and it is imagination we need today. In an off-the-record speech in the course of the World War, President Wilson told his fleet officers that they must think of things that had never been thought of before. One had the feeling that, if we come to the pinch, we will find that the minds of those responsible for our defense are not frozen in obsolete patterns which apparently has been the tragedy of Britain and France.

Admiral Stark read to the delegates a pledge received by him



Kirk Fox (left, below) editor of *Successful Farming* and **Elmer H. Sexauer,** Brookings, S. D., who is chairman of Agricultural Committee.

Among headline speakers were **Fred V. Morrison,** of the Cotton Textile Institute, (left) on cotton and **Earl C. Smith,** Illinois, on agricultural surpluses.



LOHR



C. J. Abbott, Nebraska cattle rancher, and **George H. Davis,** Kansas City grain dealer, are having no difficulty over the price of corn.

No Famine Looms Ahead

A VIGOROUS plea that the third of our people living on the farm and in rural villages should not be overlooked in the march toward war was made by Earl C. Smith, President, Illinois Agricultural Association, at the Congress of the Agricultural Adjustment Problem. He told of the sacrifices made by the farmers in the last war when they plowed up 40,000,000 acres of land to feed America and Europe and then were left holding the bag in a great agricultural depression. Although, under the New Deal, farm income was increased from $4,682,000,000 in 1932 to $8,354,000,000 in 1940, exclusive of government payments, we have today the greatest surpluses in history. We have enough cotton to meet all needs for two years; 3,150,000,000 bushels of corn, against a need of 2,300,000,000; and 1,101,000,000 bushels of wheat against a demand of 600,000,000.

Farmers should not alone be asked to ignore economic law and produce without reference to the conditions of supply and demand—If and when industrial, business and labor leaders agree to the repeal of all laws and regulations that have imposed artificial restrictions on the operations of a free economy—then farmers would ask no special assistance from Government.

Several aspects of the Government's agricultural program were criticized from the standpoint of a distributor, particularly of grain, by F. Peavey Heffelfinger, Minneapolis, chairman of the National Grain Trade Council. The futures markets are in a critical position because the Government has large supplies of grain under the commodity loan program and has taken over to a large extent the function of the private marketing agencies. Government agencies have announced that they will not use the services of cash grain commission receivers; contend that this work can be handled through government offices more cheaply than by commission men.

Fred V. Morrison, of the Cotton Textile Institute, voiced the concern of agricultural products' processors that proposed changes in the methods of raising funds for making payments to farmers will result in higher prices and lower consumption, hence defeat the purpose of raising farm income.

from 2,600 employees of the Sigmund Eisner Company:

> We pledge that no action by any of us will in any way be responsible for the slightest delay in the defense program. We know the necessity for speed and cooperation and efficiency. We will cooperate. We will do our part. America must be prepared. America *shall* be prepared. God bless America.

This message from America's men of brawn was loudly applauded.

General Marshall expressed much the same thought, "This is a war of smokestacks."

No one could listen to him without being reassured that the million and a quarter men now in training are being well trained and that their morale is now high.

How long it will remain high, the General indicated, depends largely on business:

> Preparations nowadays for any military effort for defense involve not only men and the proverbial rifle that is hung over the fireplace but material on a vast scale. We need every possible assistance from industry; we need the most expeditious assistance that you can give us; we need the most completely uniform assistance; we need a symmetrical development and that means that every subcontractor as well as every general contractor or manufacturer and industrialist, all must contribute in the same measure of effort and on the same ratio as to time.

As if in answer to the General's plea, a dozen speakers stressed the



Charles F. Zimmerman, president, First National Bank of Huntingdon, Pa., who is particularly interested in young men in business, public relations and community welfare.



Railroad men seem to have an uncanny way of picking each other out in any assembly, no matter how large. Here the camera man caught **R.C. Morse,** a Pennsy railroad official, with **George D. Brooke** (right), president of the C. & O. Railway Co.



SCHUTZ

C. C. Wardlow, Office of Quartermaster General, urged coordination.



Admiral Land (left) and **John W. O'Leary**

LOHR



Arthur M. Hill (left) president Atlantic Greyhound Corp. and **W. H. Sawyer,** New York.



LOHR

Col. John H. Jouett

Wings, Wheels and Hulls, Ready

REPRESENTATIVES of transportation by land, sea and air emphasized their readiness to meet all abnormal defense demands likely to be made upon them.

Col. John H. Jouett, president of the Aeronautical Chamber of Commerce, reported that the aircraft manufacturing industry has built 7,000 military planes since July. Production has risen steadily from 700 a month in November, 1940, to 1,200 in March. By 1942, he said, this figure will reach 2,500. Already it compared favorably with British and German production.

Admiral Emory S. Land, chairman, U. S. Maritime Commission, noted that British shipping losses are now running at the rate of 5,000,000 tons a year. He was confident that, with full cooperation and the necessary sacrifices, this country would be able to produce 200,000 tons of new shipping a month. He urged that construction should be carried on by existing yards rather than dilute the meager supply of competent labor by spreading it over new yards.

The War Department expects to utilize commercial transport to the limit of military feasibility, rather than try to develop its own facilities, said C. C. Wardlow of the Quartermaster General's Office. The facilities of the private lines are considered adequate. But shippers will have to lend their cooperation as well, he added. He felt that individual transportation lines have made real progress but that greater coordination is still needed.

willingness of business to meet the challenge. Admiral Emory S. Land, Chairman, U. S. Maritime Commission, pointed out that the present shipbuilding program of $9,500,000,000 is about triple that of the other world war. Col. John H. Jouett, president, Aeronautical Chamber of Commerce, showed that the production curve of airplanes—equal to or better than any being built anywhere—had risen from 700 last November to 1,200 in March.

Other men told of their industries' efforts to produce rapidly and efficiently for defense.

Summing up, John D. Biggers, Toledo, President, Libbey-Owens-Ford Glass Company, and Director of the Division of Production of O.P.M., declared:

> New plants have been rushed to completion all over the United States—The production of airplanes has trebled—monthly output of tanks up 600 per cent—powder 1,000 per cent—small arms ammunition, 1,200 per cent—machine guns trebled and quadrupled. Within 100 days you will see the beginning of real mass production.

But, in line with this came a warning:
"There will be sacrifices!"



LOHR

William K. Jackson, a newly elected director, is vice president and general counsel of the United Fruit Company, Boston, Mass. He has served for several years as chairman of the Chamber's Merchant Marine Committee.



LOHR

Dr. John L. Rice, president American Public Health Ass'n, presents medals to cities showing most effective health programs

Blitzkrieg against Disease

COMPETITION among 133 cities in 35 states and the territory of Hawaii, enrolled in the National Chamber's public health contest, resulted in the choice of these ten for the National Health Roll: Baltimore; Evanston, Ill.; Greenwich, Conn.; Hackensack, N. J.; Hartford; Honolulu, Hawaii; Madison, Wis.; Memphis; Newton, Mass.; and Pasadena. Hartford and Newton were named for the best tuberculosis control programs. Mentioned for syphilis control programs were Chicago, Louisville, Memphis and Pasadena. Fourteen rural counties won awards, among 313 entered in the contest.

Presentations were made by Dr. J. L. Rice, of New York City, president-elect of the American Public Health Association. The awards, said Dr. Rice, do not mean that cities and counties so honored are the healthiest in the country, but were made on the basis of effectiveness of public health work in improving their health status.

That point was made by many. One was Mr. Kemper, who said:

> At present we have employed in America 40,000,000 workers accomplishing 80,000,000,000 hours of productive effort. It is estimated that the defense program will require 20,000,000,000 work hours—25 per cent of our productive effort. We can't have our cake and eat it, too.

Said Jesse Jones:

> We have not yet made any sacrifices but they are in store for us—plenty of them. . . . We will either have to get along with fewer of the things to which we have been accustomed or we must superimpose on our productive capacity 25 per cent more work hours.

Said Edgar V. O'Daniel, New York, vice president, American Cyanamid Company:

> We cannot build the necessary defense plant facilities and produce armaments in quantities and at the speed urgently required without diverting facilities and man power from production of civilian goods, hence we must accept a lower standard of living.

But he added:

> With all Hitler's achievements, production *per capita* in Germany in terms of fiscal output has been much less than that in America or much less than half of what we can accomplish if we put our minds and hearts and energies to the endeavor.

Said Donald M. Nelson, Director of Purchases of O.P.M., "It will be impossible to carry on our defense program and still have anything resembling business as usual."

As an illustration, he spoke of the recent agreement among manufacturers to reduce 1942 automobile production 20 per cent.

"One year ago," Mr. Nelson said, "the United States Navy could have fired, in a single broadside, an entire day's production of the privately-owned explosives industry in the country."

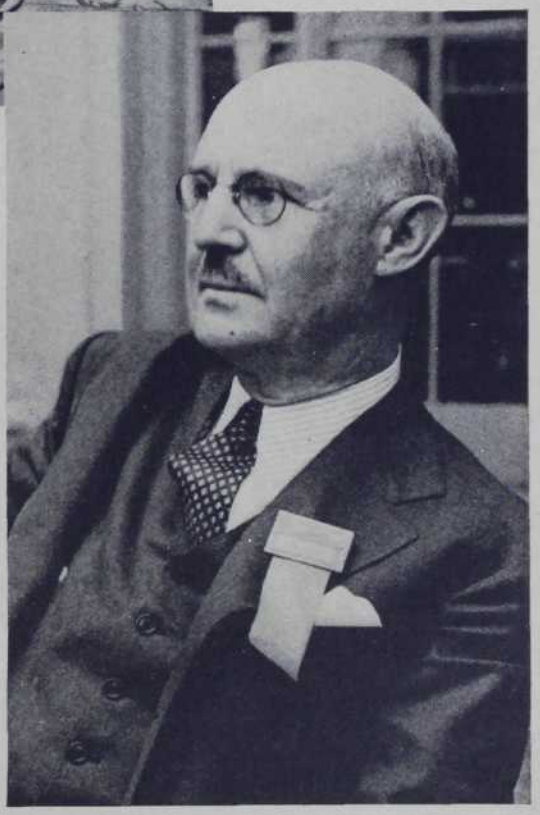
Senator C. Wayland Brooks: "Private enterprise and the American form of government were the twin sons of Columbia; they were born of the same mother; they were weak in the beginning, but by sustaining each other they both became great. The American government became the greatest government of the world, and the American people through private enterprise became the most productive, the greatest joy that had ever been known. When one of them dies, both will die."





James W. Spangler (left), vice president, the Seattle-First National Bank; **Thomas J. Strickler** (center), general manager, the Kansas City Gas Co.; **George S. Hawley,** president, the Bridgeport Gas Light Co., are typical business representatives of the Far West, Midwest and Eastern seaboard.





Today six new plants are being built, any one of which when finished will equal the total production heretofore.

Stating that industrial concentration in our Northeast Section is twice as heavy as it is in Great Britain, Mr. Nelson urged that, as rapidly as the necessities for speed permit, war industries be located in the West and South, not only to diminish the military risks in the case of future attack but better to balance National economy:

> If, when this crisis ends, we find that we have developed an economy in which only the giants can survive and the ordinary business man has been frozen out, we shall have lost one of the most precious things our country has ever possessed.

It was that sort of fear, which seemed to lurk in the back of every mind, that gave the meeting its solemn soberness. A fear, not of what a foreign aggressor might do to us, but of what we might do to ourselves. Said Mr. Hawkes:

> If we become actively involved in war—even if we win that war—we must not . . . conclude that such a victory outside of our boundaries will necessarily preserve our democracy and its individual freedoms.

"The essentials of defense require above all things else that, in attempting to save the world, we do not destroy the essentials of American freedom," said W. C. Mullendore, Los Angeles, executive vice president, Southern California Edison Company.

Repeated reference was made to the fall of France and the lesson it preaches for this country. Mr. Carey pointed the moral:

> We must, at all cost, avoid in the United States the disaster of France. Is it not true that France lost her way in a world requiring strength as a prerequisite to existence? And what were the causes of decay in France? Was it not divided by class consciousness, plagued by bureaucrats and overburdened by taxes and debt? Did it not emphasize the division of wealth rather than its production? Had it not as a State undertaken the support and security of its citizens rather than of leaving this basic function to productive enterprise? And, finally, in its

I. N. Tate, St. Paul, is vice president of the Weyerhaeuser Sales Co. and one of the Chamber's six vice presidents. Each year he takes an important part in the Chamber-sponsored Construction Conference which is held in Washington, D. C. in the Fall.

Top of page: Two Junior Chamber of Commerce officials get pointers from **Henry I. Harriman,** (center) of Boston and former president of the National Chamber just before Dr. Franklyn Bliss Snyder, president of Northwestern University, told the delegates that American college youth had no taint of Communism. Jaycee officials are: **Ward French** (left), president, Pennsylvania Junior C. of C. and **Minor Hudson,** a national director of Junior C. of C.

hour of trial, did it conceive of its dangers? Perhaps—but it was too late even to develop a patriotic self-discipline sufficient to avoid strikes in airplane factories, when Germany was at the very gates of Paris.

And Mr. Mullendore, as a part of his address, read the Reynaud-Daladier report written in 1938, shortly after Munich:

> Actually that part of the French population which creates wealth, which labors for the future, is continually diminishing, while that part which, directly or indirectly, lives on the state is constantly growing.
>
> That everyone should work more and that the state should spend less—for ourselves we see this is the only formula for salvation; it is elementary but it is inescapable. . . .
>
> The problem is not to choose between preserving or repealing the recent social reforms, whose generous inspiration nobody disputes. The problem is to prevent them from dwindling to nothing, to prevent their benefits from evaporating in the high cost of living, to prevent employers and employed, in a country which is still poor, from having nothing to share but poverty.

A hushed audience listened to that sorrowful confession of futility. Sober-faced men with a sense of deep responsibility wondered if we, too, were failing in what Arthur T. Vanderbilt, of Newark, called "education for freedom." He told the convention:

> I appreciate the efforts that our leaders are making in the interest of national defense, but I submit that those efforts will be fruitless unless we at the same time prepare for national defense by educating our leaders and our people as to the nature of freedom and as to the problems of the great foundation walls on which our freedom rests—sound international relations, internal peace and order, honest elections and sound popular education. On these foundations we may hope to build, with the aid of science and good will, the greatest civilization that the world

Herbert N. Lape, president, The Julian & Kokenge Co. of Columbus, Ohio, is a shoe manufacturer. Shortly before attending this meeting Mr. Lape called his more than 1,000 employees together and warned them to start saving in order to pay their next year's tax bill. Thinks all employers should warn workers of the tremendous increase in taxes so that they may be prepared to meet the new levy.





Col. E. George Butler (left), Savannah, Ga., a building materials dealer; **T. Guy Woolford,** Atlanta, Chairman of the Retail Credit Co., and **E. W. Demarest** (right), president of the Pacific National Lumber Co. of Tacoma, represent three widely varying business enterprises but find a common interest at the Chamber's Annual Meeting.



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Col. T. H. Barton (left), president, Lion Oil Refining Co.; **Henry F. Grady** (center), president, American President Lines; **Cecil W. Creel** of Reno, Nevada.



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R. F. Chutter, Export Director, Sharp and Dohme.



Justin R. Weddell gave first-hand account of business in London.



SCHUTZ

W.T. Moran, National City Bank.

Foreign Markets After the War

AMONG the observations that seemed uppermost in the minds of delegates directly interested in foreign trade were these:

1. U. S. export manufacturers should be laying the groundwork now to prevent the slump that heretofore has inevitably followed wars.
2. U. S. Government control over our foreign trade is increasing and will continue for a time to increase. More exports will be brought under control, to be followed by controls over certain imports.
3. Foreign governments are increasing their control of all foreign—including American—exchange, and are using dollar exchange to purchase chiefly war essentials in the United States.
4. American-flag steamship services are on the increase, to the gratification of our foreign traders.
5. Foreign trade as we have known it in the past no longer exists. It is now regarded solely as it subserves the interests of the U. S. Government in its defense and for international political purposes.
6. Bilateral agreements or barter, with their accompanying clearing and compensation accounts as practiced by the dictatorships, are not suitable as a commercial policy for the United States because we have an excess of exports over imports. These agreements also are opposed to the best interests of Latin America.
7. U. S. export manufacturers should set aside a normal percentage of their output for overseas customers, even though they have no difficulty in selling their entire production at home.

Speakers at the foreign trade conference included R. F. Chutter of Sharp & Dohme, Inc., Philadelphia; W. T. Moran, who spoke for Boies C. Hart, vice president, National City Bank, New York; and Henry F. Grady, president, American President Lines. Justin R. Weddell of N. W. Ayer & Sons and vice president of the American Chamber of Commerce in London, at a dinner for visitors from American chambers of commerce abroad, gave a first-hand account of business as now conducted in Britain.



Carl N. Jacobs, (left); **Charles C. Hannah,** (center); and **John L. Train** spoke at insurance conference.



Esmond Ewing, (standing) presided at meeting where **William J. Graham** told of life insurance's contribution to economic stability.

PHOTOS BY LOHR



Chester O. Fischer, (left) of Springfield, Mass.; **Edward B. Raub** of Indianapolis and **Col. Chas. B. Robbins** of Chicago were well known insurance men at meeting.

Insurance Safeguards the Future

THE marvelous contribution which life insurance is making toward economic stability, as well as toward individual and social security, was pointed out by William J. Graham, vice president, the Equitable Life Assurance Society. Last year life insurance companies paid out $2,500,000,000, "a sum exceeding the total wages paid to every employee engaged in manufacturing in the states of New York and Pennsylvania combined."

Interesting was the observation that federal social security has by no means destroyed the field formerly occupied by insurance companies. Group life insurance at present insures 10,700,000 persons against loss of pay check for, roughly, one year.

He pointed out that Great Britain, despite her enormous difficulties, allows a rebate against income tax on premiums paid for life insurance, and recommends the adoption of similar encouragement by the United States.

Esmond Ewing, vice president, the Travelers Fire Insurance Company, opened the insurance conference with a review of the achievements of insurance in this country where, he said, "Insurance is a monument to the energy, resourcefulness and cooperative ability which has given our people the best insurance in the world in generous volume."

Adoption of a broad insurance policy which will protect the insurer against any form of adversity was advocated by John L. Train, president, Utica Mutual Insurance Co. He said:

"From the standpoint of the insurance buyer there is no adequate comprehensive insurance for his present needs. It is true that there are insurances available to a buyer which, in a sense, are comprehensive, but each of them is limited in its application to a particular field.

"There is no one insurance policy which will protect the insured from all insurable economic loss, nor is there any one company which has the power to write such a policy."

Charles C. Hannah, vice president, the Firemans Fund Insurance Co., described the insurance contribution to defense:

"Its duty and privilege in the present emergency is to safeguard what might be termed 'the lines of transportation,' those lifelines which must be kept unbroken and permit the free flow of necessary materials to the Army, Navy and all divisions of government."

has ever known. Then we may hope to demonstrate that men do not exist, as the totalitarian dogma asserts, merely to serve the State but, on the contrary, that the true aim of government is to free the energies of men and enlarge their capacity for usefulness.

At a luncheon which followed his address, someone asked:

"What is the greatest weakness of the free enterprise system?"

The answer came back, "We advertise the gadgets we produce, but not the system that produces them. We have stopped selling the Constitution of the United States."

"You're right. Outside of national defense that's the biggest job to be done. The big test is still ahead of us when the letdown comes. Will we find then that we have fought Fascism abroad to establish Socialism at home? I wonder if one business man in a hundred understands that there is any connection between the Constitution of the United States and the free enterprise system. And yet, it should be as plain as day that the two are blood brothers, because the Constitution established a government of *limited* power. So long as the Constitution is honestly interpreted by legislatures, executives and courts we can't have national Socialism or Fascism because they have to be governments of unlimited powers."

"Yes," someone replied, "and the best defense we have is to put in Congress and keep in Congress men who believe in the American way of life. That is the most important job to be done in America."

No speaker put cushions under reality. They wanted to be told the worst, that they might do their best.

The less abundant life! They are ready to face it. Such was their stern acceptance of the world situation. They ask only that Government also tighten its belt as it is asking the people to do.

Said Mr. Kemper: "Adequate national defense does not justify profligacy in the expenditure of public funds."

It was not said as a carping criticism. There was no carping, nor was there any defeatism. These men were thinking of their businesses back home, of the men whom they employ, of the long future of their country. Amid the gathering gloom, they were groping for

Photograph at bottom shows panel meeting presided over by Chas. P. Garvin where trade association and chamber of commerce executives told how their various groups were assisting the Government in its armament effort.

Top illustration is **Russell S. Rhodes** (left), general manager of the Tulsa Chamber; **Lewis E. Pierson,** former president of the National Chamber and **Herman H. Lind** (right), president of ATAE and of the American Institute of Bolt, Nut & Rivet Mfrs. Messrs. Rhodes, Lind, Pyke Johnson, F. J. Wiffler, H. D. Weber and R. A. Crosby were members of the panel.

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a view of the road beyond, that they might help to make it a better road for those who come after them. If any doubted the price of failure, Senator C. Wayland Brooks, Illinois, and Mr. Mullendore removed that doubt. Said Senator Brooks:

> What a challenge comes to you! You have never failed; you won't fail now. God bless you and God speed you as you meet the emergency of this hour, and may America know that business is equally as important as the Government, the twin sons of Columbia, marching on, not to their fate, but to their destiny.

Said Mr. Mullendore:

> Whether mankind goes backward or forward for decades to come depends in large measure upon us. We are called upon to endure hardships and make sacrifices far beyond any for which our generation has yet shown either the strength or capacity. If we awaken in time, if God grants us the wisdom to choose and the will to follow the difficult road of mutual trust and mutual sacrifice, we will emerge from this darkness into a brighter day. If we fail, another tragic ending will be written to another glorious chapter in humanity's upward striving.

After talking and mingling with these men for four days, I believe with Senator Brooks that they will not fail. Facing the challenge of the times, these men were unafraid. They admit that they cannot do this job alone but

> Let us believe and pray and strive to the end that all elements of our population, forsaking narrow selfishness, will have the vision to see and the strength to follow those converging paths which lead to the concentration of the full energy of a mighty nation of free people.

They will do their part. It was the spirit of the convention.



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Fred H. Clausen (left) president, The Van Brunt Manufacturing Co., Horicon, Wis. and **Walter Harmischfeger** president, Harnischfeger Corp., Milwaukee. Mr. Clausen was chairman of the Resolutions Committee.



D. S. Adams (left) of Kansas City and **Vice President Clem Johnston** of Roanoke, Virginia, at the transportation desk making plans to go back home.

MEN who direct the policies adopted by the Chamber's 1640 Member Organizations

★★★

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Charting the Job Ahead . . .

MODERN DEFENSE is a production problem. No nation can be safe if its producers lack the ability or the vision to give it arms. America's standard of living proves the production ability of its business men. The Resolutions—summarized here—adopted at the annual meeting, reveal the kind of vision that reduces the defense problem to fundamentals. Speaking here, a united business pledges itself to the job ahead, asking only that we—private citizen and government official—make the task no more difficult than it necessarily is.

★ ★

WE WHO REPRESENT industry and commerce in the Chamber of Commerce of the United States affirm and renew our support of and confidence in the American form of representative government created to give a more perfect union, establish justice, provide for the common defense, insure domestic tranquillity, and secure the blessings of liberty to ourselves and our posterity.

We reaffirm our allegiance to the American system of private enterprise as the proven method of promoting the economic welfare of the nation and the preservation of our rights as free men.

We recognize that the enjoyment of the privileges of citizenship carries with it the obligation to protect and maintain and defend these institutions which insure the liberties and welfare of all men.

National Defense

THE defense of our nation, its institutions and its people against any aggressors from without is the steadfast purpose of this organization. We give full support to this objective.

It is imperative that defense production be given the "right of way" all down the line. It is imperative that our fleet and our merchant marine be enlarged with all possible speed. It is imperative that the equipping and training of an adequate army proceed without delay or hindrance. It is imperative that our air forces in the Army and the Navy be expanded to dimensions adequate to protect us against any contingency. It is imperative that our outlying naval and air bases, including such new bases as might be vital to our defense, be equipped and manned with all dispatch.

With military preparedness there must be economic and financial strength for effective national defense. This strength must be built on the productive forces of the nation so fortified as to withstand the present emergency and make preparation for the great responsibilities that the post-defense period will bring. All available productive manpower, working at maximum productive efficiency, will be required if we are to accomplish the supreme effort of superimposing the program of defense production on our normal conditions. The tremendous volume of mechanical equipment for airplanes, ships, guns and other machinery of defense challenges the resourcefulness and capacities of American enterprise. We propose to meet that challenge.

To do this effectively, the non-defense programs of government must be curtailed to meet the emergency with which we are confronted. Conservation of resources, financial and physical, requires that government postpone all projects not directly related to defense. So far as expansion of government manufacturing, merchandising, and other business operations is unavoidable, assurances should be given that such government operations will cease with the emergency. Stability in prices should be sought by increased production to keep pace with consumer demands, including the needs of workers in defense industries. To this end, supplies of materials should be allowed to continue without artificial interferences except to the extent which is clearly necessary for particular defense purposes and for which advance preparations have been made, permitting opportunities for adjustments and substitutions. In such a complex industrial structure as ours, any attempts to designate industries as essential or non-essential will have far-reaching consequences, inevitably detrimental to the national interest. Orderly procedures for procurement of defense supplies should be further developed and so conducted as to cause minimum disturbance in production for civilian use.

Employment Relations

THE public interest is so paramount in the defense emergency that employers and employees are under corresponding obligations to adjust employment controversies with no impairment of production. When themselves unable to reach adjustments, they should utilize the services of state and federal agencies for conciliation and, if there are still differences, should have a right to have the aid of the Defense Mediation Board.

That anyone should, for selfish purposes, take advantage of the public need for production, and use threats of interruption for purposes of coercion, is intolerable. Such acts are offenses against the public safety, and offenders should be subjected to the penalties of the laws they violate.

The Chamber, therefore, affirmatively proposes that all its member organizations, and forward-looking and patriotic labor and industrial leaders should immediately work out a program whereby a moratorium is declared against any disputes which will interrupt the free flow of materials to defense plants or the manufacture of all ele-

ments required for complete national defense, whether by way of amendments to existing labor agreements or otherwise. The public interest calls for a voluntary and whole-hearted acceptance of the principles of amicable and prompt adjustments of any such disputes so that the production which the public interest so urgently requires may not be impaired. If there be failure in any important direction in adherence to this plan, the alternative will be either national helplessness or the enactment of restrictive legislation which might be harmful to all.

Federal Finance

UNPRECEDENTED expenditures for national defense must be made by the Government after a decade of annual deficits. All should agree that defense must be financed, the public credit must be sustained, and individual enterprise must be protected. All measures should be judged by their adequacy for these purposes.

Suitable measures, we believe, include drastic reduction of non-defense expenditures, increase in the ratio of revenues to expenditures, temporary taxes limited in duration to the period of the emergency with the burden fairly distributed and, to the greatest extent practicable, the necessary borrowing should be obtained from private savings.

At least $2,000,000,000 should be saved annually by curtailing non-defense spending, and devoted to defense. Such a retrenchment can be made by close cooperation of the executive departments with Congress, which should at once set up means of its own to apply recognized standards of business management to government spending and to coordinate appropriations with revenues.

The taxation then necessary to provide for defense will be proportionately less and, to that extent, better borne by our people. In entering upon the task of obtaining new revenues, Congress should seek simplification in the revenue system upon which the new taxes will be imposed for this system has recently had a most intricate and uncertain addition. A stable, equitable, and workable revenue system should be devised which will allow business men to make their necessary plans for the future and permit maximum economic activity after the emergency has passed.

The burden of taxation for defense should be equitably distributed to reach all sections of the public and all forms of economic activity. Only by careful balance in taxes that are imposed can adequate revenues be obtained with a fair distribution of the burden.

Prices

PRICE fluctuations cause strains and dislocations in the country's economic processes and result in hardships for business, labor, and consumers. In connection with the Government's defense efforts, business men have consistently declared their intention to do everything in their power to prevent price increases not justified by cost increases beyond control of management.

The Chamber urges all business men to join in these endeavors to guard against unwarranted price increases.

Merchant Marine

THE experience of the United States and other maritime nations has shown that successful operation of merchant shipping in the public and national interest calls for a high degree of individual initiative and flexibility of action. As a consistent national policy, the American merchant marine should be privately owned and operated, with only that amount of government regulation essential to insure its maximum usefulness to American commerce, safety at sea, and availability for military needs.

In the present emergency the demands for construction of new tonnage have made necessary government participation in ownership of our merchant fleet. This should be so handled as to facilitate promptest possible return to the policy of private ownership and operation.

Some additional government control may also be necessary. Such control should, as far as national needs will permit, employ the voluntary cooperation of shipping operators. Power of government requisition of shipping should be limited to the imperative requirements for vessels for actual naval and military employment.

While all actual national needs must have preference, any extraordinary government regulation found necessary should be limited to the period of emergency.

Petroleum

IN VIEW of the crucial position of the petroleum industry in defense, there should be vigorous support of the existing policies of the Chamber adopted by recent annual meetings. The Chamber opposes all proposals for control by a federal bureau of production of petroleum from the ground and is against all efforts, legislative or otherwise, to break the petroleum industry into separate parts. The outstanding efficiencies developed by the industry should be maintained that they may have their fullest effects for defense.

Regional Authorities

THE interests of the states in their natural resources should be preserved. An obvious purpose of federal regional authorities, as evidenced in bills now pending in Congress, is to subject present and future water uses within the states to the rule and determination of regional boards and take away the control from states. Such boards would undertake also to regulate the pollution of streams by factories, mines, and municipalities rather than leave the question to the states themselves. All these state interests can best be preserved if the existing type of federal agency cooperating with the states is preserved.

Foreign Trade

SUBJECT to all the requirements of national defense, it is particularly important today to preserve as much as possible of our existing foreign trade and make far-sighted preparation for the resumption of the world-wide trade operations when peace is restored.

In connection with our increasing purchases of essential materials from Western Hemisphere countries and other trade areas, and their dependence on us for supplies, continuation of our shipping, banking, communications and other facilities is essential to defense.

It is recommended that a distinctive foreign trade service be developed in our Government, with provision for liaison with all the other governmental agencies having duties related to foreign commerce.

Tariff Principles

OUR tariff laws should assure reasonable protection for American industries, including branches of agriculture, subject to destructive competition from abroad and of benefit to any considerable section. The principle of our anti-dumping legislation should be maintained. Unfair competition should be met through appropriate protective measures. Our laws should provide for meeting discriminations by other countries against our trade.

Since changes of economic factors repeatedly affect the incidence of tariff rates, the procedure established by the "flexible" tariff for the adjustment of such rates by administrative action within limits prescribed by Congress for the purpose of maintaining a consistent tariff policy should be retained.

The function of the Tariff Commission in administering the flexible provisions of the tariff is of special significance in meeting destructive foreign competition and should be retained.

These principles are stated with full realization of the uncertainties in international trade and the uncertainties and difficulties of the future. The Chamber should be prepared to come forward with proposals of means to meet new situations which threaten to bring into our domestic trade competition of the kind against which the Chamber has long believed there should always be protection.

International Double Taxation

TO encourage international trade with countries now at peace and to establish firmer foundations for trade with all countries as soon as circumstances permit, our Government should give continuing attention to relief from burdens imposed by international double taxation. Legis-

lation and treaties should provide for fair and uniform rules for the apportionment of income earned partly in different countries and for exemption from income taxation of non-residents of the respective countries, including corporations foreign thereto, except as to income derived from businesses permanently established, services performed, and real property located therein. Our existing system of credits for foreign taxes is essential to the alleviation of double taxation on the income of our citizens and enterprises, and should be broadened to assure fair allowances with attention to the essential nature of the foreign taxes.

International Air Services

RAPID transport by air of mail and express, as well as passengers, is a growing factor in international relations and international trade. The Government should encourage the further development of such services.

To the maximum extent consistent with the international situation, there should be exchange of information, cooperative development of facilities and the harmonizing of national regulations. Efforts heretofore made toward revision of laws and regulations with respect to clearances and arrivals of aircraft in foreign trade and formalities as to passengers and cargo should be continued as fully as opportunities allow.

Civil Aeronautics

CIVIL aviation has proved its growing importance in commerce, for engineering and scientific purposes and for the national defense. It should be given all practicable opportunity for further development, and equipment should be made available so far as is consistent with urgent defense requirements.

The civil airport system is likewise of great value for defense purposes and provision to make it adequate for both civil and military needs is a matter of public concern. The federal Government should continue its program for the provision of adequately equipped airways, including radio and other aids to air navigation. In view of the importance of the inspection service of the Civil Aeronautics Administration, all needed facilities should be afforded, and maintained at a high state of efficiency.

Air transportation is essentially national and international in scope. Uniformity of aeronautical legislation is, therefore, necessary. States should draft their laws with a view to securing such uniformity.

Trade Associations

THE services being performed in connection with defense activities again demonstrate the important place occupied by trade associations, both upon behalf of their fields of business and in the public interest. As authoritative sources of information and of practical suggestions for defense officials, they are facilitating in indispensable ways the speeding of defense production. They are rendering great assistance, too, to their members with respect to their defense problems.

Administrative Law

MANY federal agencies now unite in themselves the legislative function of making law, the executive function of prosecuting violations of law, and the judicial function of passing judgment upon their own prosecutions. This is a union of functions which should always be separate and independent, if justice is to be had and the public interest maintained. So long as any of the functions are joined in administrative procedures, Congress should provide for judicial review of regulations issued through administrative exercise of legislative functions and for the widest possible judicial review of all decisions made by administrative exercise of judicial functions.

Unemployment Compensation Laws

THE development of unemployment compensation laws in the United States has been by state legislative action and has been based on these fundamentals:

1 • *Accumulation of state reserves during periods of good employment from which benefits for limited periods are to be paid as a matter of right to those workers who became unemployed through no fault of their own;*

2 • *Each state should be free to determine for itself those matters relating to workers' eligibility for benefits, benefit amounts, duration and waiting periods, without interference or control by any agency of the national Government;*

3 • *Each state should be free to determine for itself provisions for merit rating based on reduction of unemployment and improved employment experience.*

We oppose any amendment by Congress to the Federal Unemployment Tax Act which would deprive the various states of their rights of self determination.

Deportable Aliens

THE law for deportation of alien criminals has been augmented by recent legislation, but is being frustrated by conditions preventing deportation after it is ordered. Many countries are refusing to accept return of their criminal nationals. Lack of transportation facilities prevents return of others. Aliens who have been convicted of major crimes are accordingly being released by the courts from detention under deportation warrants. Congress should promptly enact legislation embodying principles proposed by the Attorney General to permit decision as to deportable aliens who should be detained until deportation becomes feasible.

Respecting deportation of aliens because they are members of any group advocating the overthrow of any government in the United States the law should be made specific. It should identify the Communist party and like organizations as groups within its scope.

Experiences with undesirable aliens should, when conditions permit, lead to careful reconsideration of our immigration laws.

Insurance

THE safety record of insurance in both normal and abnormal times is the result of sound and wise principles and methods, under regulations laid down by the states. The performance of effective state regulation has been outstanding. The present system of regulation offers a vehicle for steady improvement which makes unnecessary any form of federal regulation. The characteristics of insurance render this essentially a problem for state rather than federal control.

State insurance officials should, at public expense, continue to cooperate with the like officials of other states to the end that the insuring public is assured of fair rates and of the solvency of the insurance carriers. To this end established rating systems applied through rating bureaus or other expert bodies are essential. Solvency tests should be supported by periodic examinations made by full-time salaried employees of the state participating in the examination. Investments should be determined by the quality of the security regardless of the situs. Taxes should be fair and levied directly without regard to local investment requirements. The purchasers of insurance should be able to obtain from authorized companies in any state the coverage which their individual necessities require. The principle of co-insurance, or average distribution, should be permitted. The regulation of insurance should avoid interference with functions properly belonging to management.

Fire Waste

THE deplorable loss of thousands of human lives and property damage of hundreds of millions of dollars caused each year by preventable fire is a drain on resources which should be eliminated. The importance of defense calls for constant attention to preventive measures for all contingencies. In reducing the number of preventable fires, proper state and municipal legislation is necessary. Approved modern building codes and ordinances to regulate the use of hazardous material and processes are essential. Personal liability for damages to others through fire caused by negligence should be enforced in ways that will bring home to individuals their proper responsibility. States that are without the model arson law should adopt such legislation.

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Washington and Your Business



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He Met Some More Interesting People

THE committees which swirl around the President in the defense program suggest the cocktails of prohibition days—well shaken, foamy, and uncertain. Wayne Coy—to pursue an inelegant simile a bit farther—seems to be behind the bar at present. He is the head of the Office of Emergency Management, which is the committee which has trumped all the other committees except that of Harry Hopkins and his lend-lease group.

"My job," Coy said, "is to fill the gap between the President and all the other committees."

Those who have gotten acquainted with him since he came to Washington think he may bring some sort of order into a situation that has been unsatisfactory to every one. He is reputed to be that kind of a man. Like the man, Leathers, who was made chief of production in England after a career of anonymity because he always did his job well. Coy came in with Paul McNutt and was unknown to every one except the Indianians but presently the word went out:

"See Coy. He knows. He'll do it."

He used to be a reporter. Perhaps that is why he is what he is.

Build-up for Leon Henderson

INDICATIONS are that Leon Henderson is riding on a build-up. The Administration's boy friends are writing about his ability, which is plenty, about his pants, which are synthetically mussed, and about his diffidence, which is nil. He seems due for a rise. His price control division is to be invested with statutory authority at the insistence of Senator Taft, who accepts price control but insists that at least the forms of law be retained in our national dealings. Henderson has disagreed with Bernard Baruch about how to control prices, and he seems convinced that the Government can go on spending forever and ever, amen. At any rate he told Taft that we can afford to spend as much money after the war in an effort to save lives as we can in an effort to take lives, or something to that effect. Taft mildly wondered when the borrowing would end.

Here is a New Bottleneck

NO danger of mainline congestion, if the boss railroaders know what they are talking about. Lines have been cleared, freight cars bought or rebuilt, dangerous old wooden cars cast out. If the "emergency" continues at high speed, 270,000 new freight cars will be built in 1942 and 1943. They know almost precisely what business they must handle from the Government and are prepared. Private business is a bit harder to preview. When Mrs. Roosevelt warned about shortages to come, as she did in the matter of automobiles, she promptly fevered buying by citizens. The only bottleneck to be feared is on the privately owned tracks of industry. They were constructed to handle in-and-out car traffic on a ten-hour day schedule and, if work is to be steamed up to 24 hours a day, there will be a terrific tangle. Another headache for Mr. Knudsen.

Play Ring Around a Rosy

ON Capitol Hill some of those engaged in finding out in how many different places a tax needle can be thrust into Americans are frankly puzzled by what seems to them a contradiction in the Administration's theory. Morgenthau and his experts hold that, if the national income can be made large enough, the people will be able to pay almost any tax which might be imposed. "A hundred billion dollar income would carry a hundred billion dollar debt." At the same time the Treasury plans so to boost taxes that the people will not be able to spend as much as they used to spend, and so the national income will be cut down. The children have a name for it.

Two Cops in a Car Too Many

SENATOR BYRD said that, in the coming year, the $22,000,000,000 tax bill—federal, state and local—means an average tax payment of $200 per American.

"More than twice the value of all the products of agriculture, including the products of the forests and the mines."

In the face of this, any report of a state or city cutting the tax bill is news on the man-bites-dog principle. Everywhere the local taxes are reported as upping. O. W. Wilson, professor of police administration at the U. of C., suggested that one way of saving would be to use only one man in police prowl cars. Like every other suggestion for economy at home Mr. Wilson's idea was received with reverberating silence.

Reported But Not Confirmed

WHEN a reporter writes "they" say on Capitol Hill he means that he has been talking to men who are frank with him on what they know, hear, and surmise. "Their" summary today would show Congress disquieted as to the present, doubtful of the future, and without power to act. It might not authorize the President to do a certain thing but, once done, Congress would accept it. Congressmen complain they are told almost nothing but they take what they can get meekly. At the infrequent conferences with the President "he does all the talking."

"He gets angry easily."

"He does not listen to us."

They are not afraid of him politically, for presi-

dential purges have the effect of blackberry cordial on the body politic. But there is a dignity and power in the presidential office that awes them. "He is The Boss."

Letter Writers "Hate War"

IN the past the congressional mail has decided many a controversial issue. It is not doing so today. Letter writers are opposed to the United States entering the war by seven to ten to one. But an incident may put us in between two days and there is nothing that Congress can do about it. Letter writers accept the higher taxes, rarely criticise the tax methods, are unanimous for better defense and are not convinced the country can be invaded. They are either calm about aid for Britain or support it. A burst of belligerence followed the victory terms offered by a Japanese newspaper. The burst was only firecracker size.

They Don't Like Philip Murray

PHILIP MURRAY and his C.I.O. defense strikers are being furiously lambasted. Miss Perkins has ink-stained quills sticking in every curve of her astral body. Lindbergh's speeches stir comparatively few but when some one calls him names for speaking his mind the fountain pens go into action. Ickes is a complete flop as a writer-rouser, but Knox and Stimson must suffer from a dual ear-burn. Knudsen and Jesse Jones have friendly publics, Wickard is not doing very well, and Wallace comes under the heading of "other business." An increasing number of writers ask "why?" No true friend of a congressman will ask him "why" just now.

Snappy Stuff from the Record

THE Agricultural Adjustment Act was being debated in the House:

"I offer this amendment," said Mr. Burdick of North Dakota. "All it does is, in case the small farmer has too much acreage to fit his small quota, permit him to feed his surplus wheat to live stock on the farm and not be penalized. That is all you are voting for." So the amendment was defeated.

What Will States Do Now?

LOOKS as though states' rights—considerably weakened by the things that happened to them in the past eight years—would be called on to fight again. The utilities will be hit hard by increases in corporation taxes. It is at least probable that the present three per cent levy on sales to certain classes of customers will be boosted. As the utility rates are all frozen, the only recourse they would have would be by appeal to state regulatory commissions to permit them to pass the tax on to their customers. But the federal Government seems to have a spite at the utilities and is making plans to stop such moves. Precisely how this can be done is not known as yet, but it is good guessing in high quarters that it will be done.

Pay Money and Take Choice

ONE hundred-to-one bet that the St. Lawrence project will not be furthered by Congress this year. There is, however, difference of opinion as to why it will not. (1) The President has had no St. Lawrence bill introduced. (2) The House sees a chance to take him down a peg if it is introduced, because opposition is vociferous and horribly factual. (3) The Senate is angered by the President's bland substitution of an "agreement" for a treaty relation. (4) Morgenthau has argued the President into holding it back for post-war spending. (5) The President lost his temper when the Florida ship canal and the Tombigbee River improvers hooked on to his St. Lawrence scheme. (6) Canada doesn't want it anyhow. It's anybody's guess.

Overheard in the Palace Yard

MAJ. GEN. JAMES H. BURNS, named as chief of Defense Aid Reports under Hopkins, is a tough old soldier, kindly, humorous and terribly sane. He has been the pivot of the under-secretary's office for a long time. . . . All thought of fixing a borrowing limit has been discarded. . . . A dozen more or less hidden forms of taxation are being considered. The Administration might try the window tax. Trouble is that during the Middle Ages the rascal taxpayers got to bricking up the windows. . . . A large leak of goods through the Philippines and Russia into Germany is suspected. . . . Betting is for general sales tax.

"Total" Powers Will be Decreed

IT is reported from the inner circles that a "state of total emergency" will soon be decreed, which would give the Government absolute control of everything. It is assumed that Congress will be asked to sanction this, but only as a means of whipping up sentiment. Several of the calmest members of the Senate say the President has at the moment every dictatorial power that could be given him.

How Long Will "Duration" Be?

THESE Senators think they have observed that the Administration—meaning that large and vocal circle which by turn reflects the President's ideas and tries to shape them—has become more realistic of late. They attribute this to the sobering effect of intimate contact with the British representatives in Washington, plus a considerable amount of telephone talk to London.

"The British are realists," they say. "They anticipate a long war in which victory will come to the side furthest from utter exhaustion. They have urged that we take the Azores, Canary and Cape Verde Islands for our protection, and that we pay less attention to being a good neighbor to South America and more to building a great and permanent sea power. Something like, but not quite, an alliance is being vaguely hinted at."

Not a 49th State

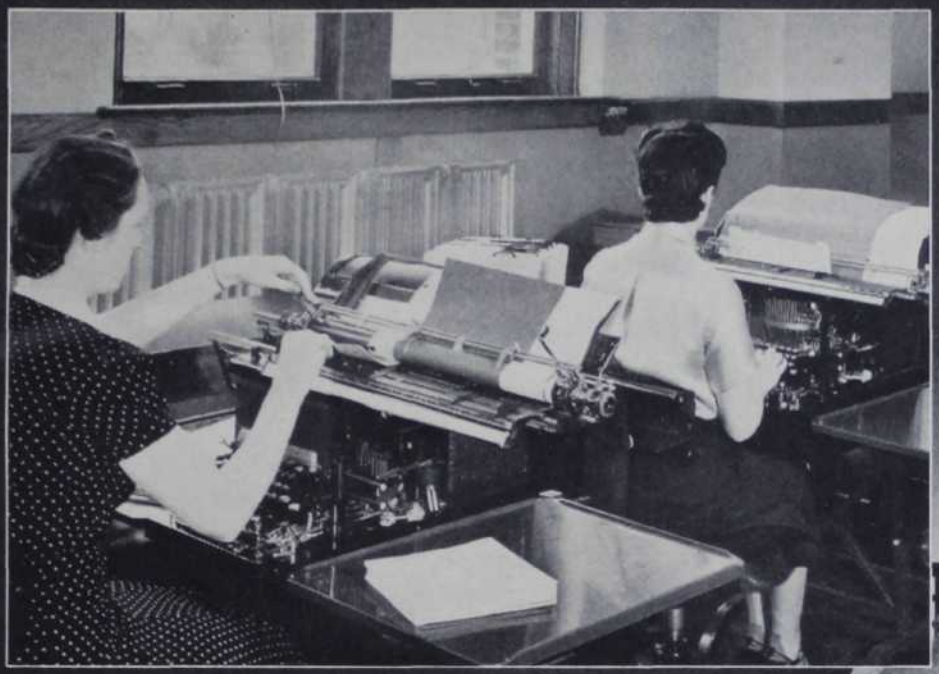
CONTINUING to quote these senators—

"Three months ago the men nearest the President in their political ideology and because of their real affection suggested that Britain would be the 49th state when the war ended. What they really meant was that Britain and the United States would share the same social theories, which would be not far from National Socialism. The visiting Britishers seem to have damped that idea down. The 49th state has disappeared from the cocktail hour."

Dumping Ground for Wishes

THE various defense bills have become the dumping ground for wishes. Practically every community has some pet idea it would like to unload on the federal

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Government—a drainage scheme, a new bridge, a river retaining wall—and a good many of them are being taken in. Every department and bureau is asking for more men, women, house room and furniture. If the bills are cleaned of the not-absolutely-essential projects their totals could be reduced by no one knows how many hundred million dollars. The difficulty is that there is a good argument for every one of them and, in the hurry of the day, the House and Senate committees lack time to get at the bottom facts.

Not Even Anything Will be Saved

NO prospect that so much as a dollar will be saved on the non-defense costs of government. The President said there should be a saving, but he did not indicate what saving or put on even the least pressure. The Budget Bureau has been reduced to a mere trumpet for his voice. A good many perfectly calm appraisers of government methods say that is what it should be. In self-protection the House has refused to consider any requests not included in the budget estimate. But when the House reports get to the Senate anything may happen, and frequently does. Morgenthau would and could cut from one to two billions out of the annual bill, but there is *no* cut on the agenda.

W.P.A. Here to Stay

BEST opinion is that the W.P.A. is to be permanent. The pious hope is expressed that it will not again be used as an instrument of politics, but even those who hope admit its value in any political slump which might accompany a financial decline. The C.C.C. and the N.Y.A. and similar organizations—fingered for death by Morgenthau—seem to be quite secure. An effort will be made to take flood control matters away from the Army Engineers. They have reported that some suggested projects are rarebit dreams.

Who'll Bell the FCC's Cat?

ONE of these days a real brawl may break out in congress over the FCC's order—five to two—breaking up the radio chains. At the moment nothing important is happening. Congress feels the courts may act. The Supreme Court has already held that the FCC has no authority to interfere with the business practices or policies of the stations or networks, but must confine its regulation to preventing jamming of the channels and to make sure of the financial equipment and the competence of their owners.

"The intention of the Act" any congressman will say, "was to make certain that radio shall always be as free as the press."

If this freedom is assured by court action congress will draw a sigh of relief. If the court, as at present constituted, should reverse its previous decision, an effort will be made on Capitol Hill to put a legislative shield between radio and any political hand which may be stretching toward it. There is no disguise that the FCC's order is taken as a first step toward a future state of control. Yet—just now—what with a "war emergency" and the New Deal's control of the Senate, there is a disposition to let the matter simmer for a time. In the folktale the mice were unanimous in deciding to tie a bell on the cat. But no mouse reached for the bell.

Eire Wants to Buy Ships

THIRTY thousand tons of goods waybilled to Ireland are piled on American docks for lack of ships. Frank Aiken is here to buy ships, to move the stuff. If he can get them, he will buy more goods. . . . The industrial training plan has already demonstrated an ability to make good welders out of novices in two weeks. . . . The most highly trained men came through the recent depression pretty well. Theory is that highly trained men will be needed when the post-war depression comes. . . . They will be needed in the furious competition for world trade which is anticipated. . . . One powder plant is to be located where there are no houses. "Homes for workers will cost $500,000,000." . . . A Senator sent to the Library of Congress for literature about inflation. None on hand. . . . Senate o.k.'d $10,000 for the expenses of 13 scientific organizations which have been studying bird, animal and snake life on Gatun Lake. House killed it. "Didn't ask for enough." . . . Germany works a 54 hour week and uses 2,000,000 imported workmen and all her women. . . . The United States works a ten hour day and the census bureau says we have 8,488,248 unemployed. . . . Army and Navy still outbidding each other on contracts. . . . Officers fresh in Army from civilian life say they are strangled in red tape. . . . Factories could not run that way.

Listen to Governor Carr

GOVERNOR CARR of Colorado says the Arkansas River bill, recently introduced, would give to a three-man board appointed by the President "absolute control over the drainage basins" of the Arkansas, St. Francis, Red and White Rivers. It would upset constitutional authority, defy the Constitution, "supersede and supplant the quasi-sovereign states of the union in the exercise of sovereignty over local powers and problems." "Another bill recently introduced divides the whole country into nine regional river basins, which will place the people, their lives and their future under the control of a super-state. . . . Our system of government is being changed without the consent of the governed."

On Capitol Hill it is regarded as probable that, under cover of the "war emergency," these new super-state bills may slip through.

More Young Men Needed

ONE Senator is deeply concerned over the manner in which the American people and the Constitution are being pushed around.

"Trouble is," he said, "we have too many old men and not enough young ones."

Vergil D. Reed, acting director of the census, supports this view of America's ages. The average American is now 29 years old. He was once 16. Sixty-five-year-olds make up 35 per cent of the population. Their ratio of increase is five times that of the whole population. The proportion of all under 20 is markedly reduced. Not for the world would the Senator quoted permit his name to be used, but he had something else to say:

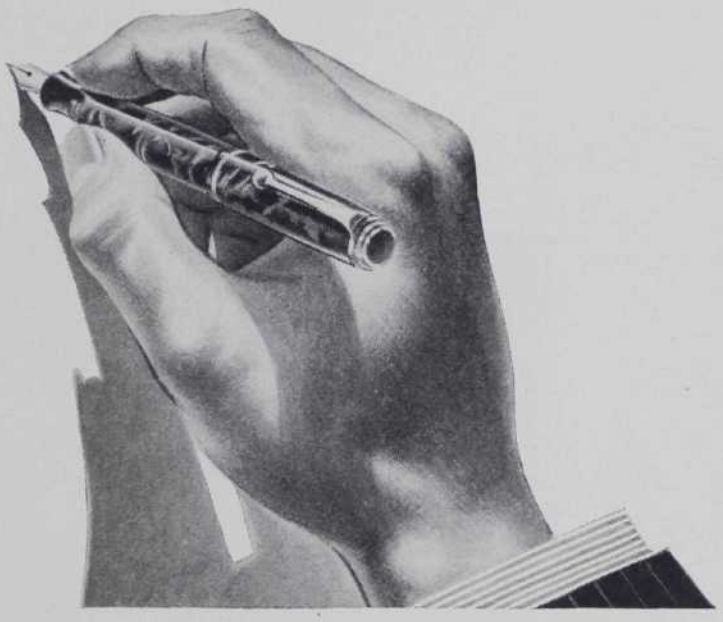
"Too many women teachers," he said. "The kids have been fed pap. Too many humanitarians, moralists, public weepers and rush-to-the-rescue workers. In three words, we lack guts."

Them are fighting words, Senator, anywhere in the Middle West. Try 'em some time, and see.

Herbert Corey

Four safeguards for your life insurance dollars:

1. Our own investment specialists
2. Directors' finance & real estate committees
3. Diversification of investments
4. Geographic distribution



WITH MEN WHO INVEST policyholders' money, safety is always the first consideration.

How does Metropolitan try to make sure that its investments will be safe?

In the first place, the law prescribes the kinds of investments which may be made. In addition, the Company employs other safeguards. For example . . .

1. ***Investment Specialists.*** Metropolitan has a staff of investment specialists, each trained in a particular field. These men investigate each proposed investment, compiling and digesting a huge mass of information. Always, return *on* the principal is secondary to return *of* the principal.

2. ***The Finance and Real Estate Committees.*** After the work of these specialists has been carefully checked, each proposed investment must be approved by the Finance, or the Real Estate, Committee of the Board of Directors.

3. ***Diversification of investments.*** For maximum safety, money must be put to work in many *different* investments. Today, Metropolitan funds are at work in many types of industries, as well as in first mortgages on farms, office buildings, stores, and homes, and in the bonds of Federal, state, county, and local governments . . . more than 100,000 different investments in all.

4. ***Geographic Distribution.*** Metropolitan funds are at work throughout the United States and Canada. This wide geographic distribution of funds minimizes the effects of varying business or agricultural conditions in any one section.

Of course, each Metropolitan investment, once made, is carefully watched. Metropolitan's investment experts must be ever on the alert.

Because the interest earned by the Company's investments helps pay the cost of your life insurance, Metropolitan strives to earn the highest rate of interest consistent with *safety*. During the past ten years, there has been a substantial decline in interest income on most forms of life insurance company investments. One result has been to reduce the amount available for dividends to policyholders—a reduction which the savings in mortality and expenses have not been sufficient to offset.

These are four safeguards with which Metropolitan surrounds the funds that about 29,000,000 policyholders have entrusted to its care. They give assurance that in the future, as always in the past, the Company will fulfill all its obligations, in good times and bad.

COPR. 1941—METROPOLITAN LIFE INSURANCE CO.

This is Number 38 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.

Interne Training for Engineers



Engineer internes work in all parts of plant including this road test truck department



Special equipment is provided to test materials for the fading of dyes



Electrical laboratory is tempting bait to inquisitive minds

THE CHRYSLER Institute of Engineering with some 1,500 students is a school within a corporation. It has graduate, undergraduate and trade branches. It is incorporated under Michigan law to issue diplomas and grant degrees from a high school diploma to a doctor of engineering. It costs $100,000 a year, but alumni of the graduate school alone have given the corporation 22 new basic improvements, unknown to industry as a whole 10 years ago, any one of which would bring sufficient monetary compensation to offset the investment.

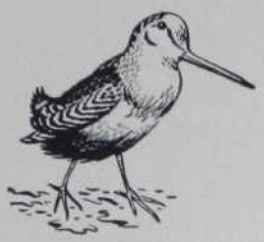
The trade school is for the sons of Chrysler employees who wish to acquire a craft or trade.

The undergraduate school is a night school in which the average age of registrants is about 32. The classes are composed of machinists, electricians, foremen, accountants and even a sprinkling of executives. The subjects taught cover everything from high school to collegiate work as well as special courses such as stenography, mechanical drawing, auto body design. A graduate may go on to some other university or continue in the Chrysler school until he obtains a bachelor's degree.

The graduate school is the particular pride of the Chrysler Corporation. The students are picked graduate engineers from the various engineering colleges throughout the United States, Canada and Europe. They are brought in on a three-year course of theory and practice. Each serves from one to four months in the company's various engineering departments.

In addition to technical studies they are given seven subjects that relate to the cultural side of life. The purpose is to give them the same sort of cultural background as other professional men—a background which is generally omitted from the average engineer's college training. Institute officials say that their graduate students are given two educations; one to teach them how to live and the other how to earn a living.

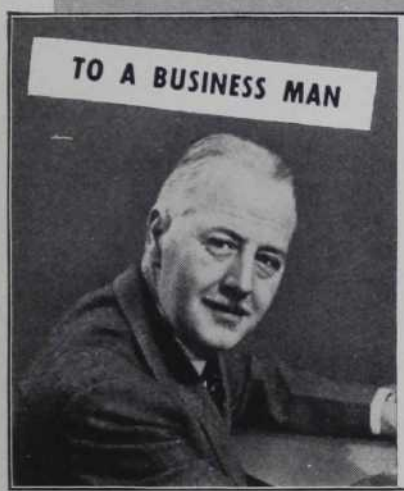
Their training is similar in scope to that given an interne in a hospital where he may apply the fundamentals taught in college and choose the actual branch of practice that pleases him most. The graduate students are paid $140 a month during their first year of interneship with Chrysler, $160 for the second and $180 during the third. At the conclusion of their three-year term, they are absorbed into that engineering division where their talents can best be realized.



TO A HUNTER "TIMBER DOODLE" MEANS A WOODCOCK

In the lingo of sportsmen, the woodcock—famous for its erratic "corkscrew" flight when flushed from cover—is affectionately dubbed "the timber doodle."





"COMPTOMETER ECONOMY" means REMARKABLE FIRST-TIME ACCURACY ON ALL FIGURE WORK



NO CIPHERS appear on the Model M answer dials unless they are part of actual answer! The answer, for example, used to read 00000040017. Now it reads 40017.

THE *high speed* of Comptometer adding-calculating machines and methods would be meaningless without the remarkable *first-time accuracy* made possible by these exclusive Comptometer features:

Elimination of ciphers on the answer dial to the left of the actual answer—resulting in less eye-strain, greater speed, increased efficiency and *less likelihood of error* in reading answers.

The Controlled-Key safeguard, an exclusive Comptometer feature which eliminates operating errors.

A Comptometer Co. representative is prepared to show you—in your own office, on your own work—how Comptometer *speed, accuracy* and *adaptability* can effect substantial savings of your firm's time and money.

Telephone him . . . or, if you prefer, write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago, Ill.

COMPTOMETER
REG. U. S. PAT. OFF.
ADDING-CALCULATING MACHINES

NO BUSINESS *Can Escape* CHANGE

Through wars and rumors of wars business keeps one eye on the consumer who is its lasting market

1 • A LUGGAGE-TYPE portable radio receiver is now made with a rechargeable battery. It has a built in automatic battery charger so that it may be played and recharged from alternating current at the same time, or may be recharged from an automobile's battery through the cigar-lighter outlet. The battery is non-spillable, in a transparent case, and contains three colored floating balls which indicate the state of charge.

2 • MAGNESIUM fires and incendiary bombs are quickly and safely extinguished by a new powder which is said to be a considerable improvement on talc or sand for such use. It also extinguishes other burning metals such as sodium and aluminum. It is non-abrasive and may be used freely around machinery.

3 • A GLASS fiber adhesive tape is now made with a pressure-sensitive coating. In use it is cut and applied as any other adhesive tape. It is expected to be useful in the electrical industry as well as for insulation on pipes and various industrial fields.

4 • FOR serving drinks and radio music at the same time there is a combination outfit incorporating an easily carried radio for A.C. or D.C. current with a small bar holding two bottles, six highball glasses, four jiggers, ice cubes, and miscellany.

5 • A NEW type fountain pen made of a chemical resistant plastic utilizes a fast-drying ink developed for and usable only in this pen. The point is tubular and, excepting the tip, is enclosed in the barrel to keep it moist and protect it.

6 • AN OPTICAL glass is now made without silicates which has a higher refractive index than previously available optical glasses. A lens of this glass has less curvature for a unit focal length and better definition.

7 • A NEW type truck seat for replacement use is now made with seat and back moving together, to prevent rubbing clothing and upholstery. The unit incorporates cushion springs and rubber-bushed links to guide seat movement. It is adjustable.

8 • A CORROSION-RESISTANT paint now made from a polyvinyl chloride base has been developed to protect metal surfaces against chemical reactions and is particularly recommended for service where corrosive conditions disqualify other paint. It can be applied by either brush or spray. It resists fumes and vapors of most acids and alkalies, resists most acids.

9 • A SIMPLIFIED A.C. electric arc welding outfit is designed with a reactance to give a steady arc as the distance of the welding rod varies. Designed for shops and odd jobs, relatively little experience is required of the operator.

10 • TO KEEP perspiration from rolling down into the eyes there is a new absorbent band which runs all around the head. It is easily wrung out and washed in soapy water.

11 • FOR safer night driving there has been developed a sodium luminaire that turns itself on at the approach of twilight and off again in the morning. The phototube-controlled light is especially intended for danger points such as intersections, grade crossings, underpasses, and the like.

12 • A SIMPLE device to test counterfeit silver coins is pencil-shaped. In use the point is moistened and applied to a fresh scratch on the coin.



20 • FOR sportsmen and boys there is a waterproof suit of jacket and matching trousers designed to slip over regular clothing. They are light weight, about six ounces, and fold into a small package. Made in four colors, they are at present available in sizes up to 28 inch waist.

13 • A NEW type golf ball has an oil center sealed in a round capsule and enclosed in a resilient rubber molded container. It is said to transmit greater club energy to the ball.

14 • A SALT bath electric furnace for carburizing, cyaniding, and hardening of high speed steels and similar work is now made that will generate heat with the highest concentration near the bottom so that natural circulation prevents hot spots.

15 • A RAPID and precise means for studying spectrographic plates is provided by a new photometer designed to expand the spectral lines approximately 20 times and then determine their intensity. The equipment operates on a six-volt supply of either D.C. or A.C. electricity.

16 • TRANSPARENT gloves are now made of a synthetic rubber-like material which is unaffected by organic solvents. They are recommended for workmen exposed to cutting oils, petroleum products and solvents. They have good strength and wearing qualities.

17 • A ROD of adjustable length with rubber-tipped ends is now made for clothes closets, shelf supports, many other uses. It can be taken down and moved easily. It is supported by pressure on the end pads.

18 • A NEW cleaner for washing paint, automobiles, and general cleaning dissolves instantly in cold water. It is recommended for camps or places where hot water is hard to get, is harmless to hands, clothing.

19 • A LACQUER for photographic prints, applied by dipping, brushing, or spraying, gives a colorless coating to protect against finger marks, grease, water, gases. Treated prints may be washed with soap solution. —W. L. HAMMER

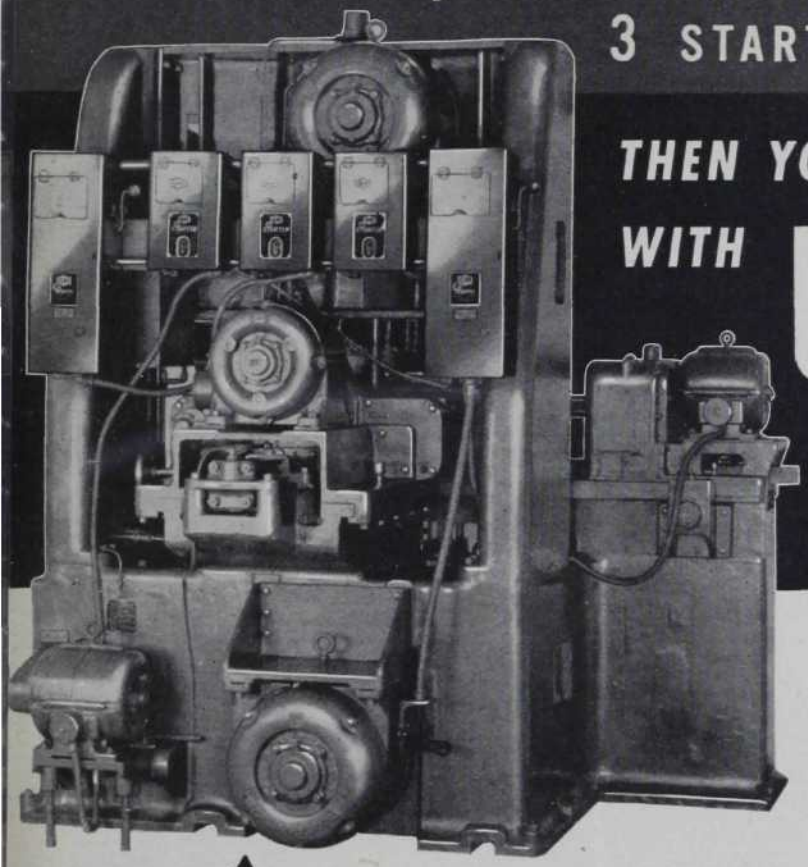
EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

What do you need for your plant—

3 STARTERS OR 300 STARTERS?

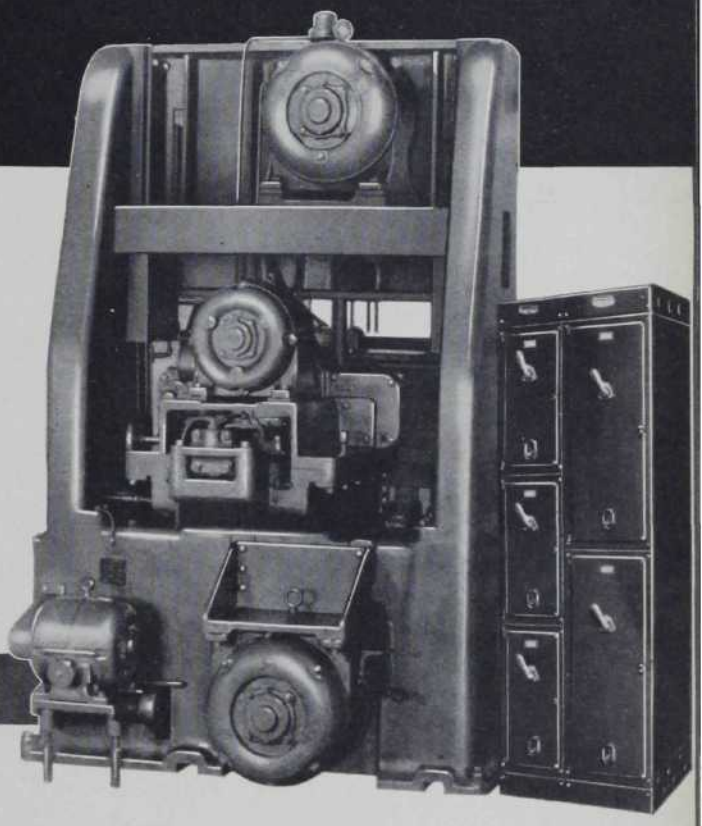
THEN YOU ARE VITALLY CONCERNED WITH UNITROL

REG. U. S. PAT. OFF



NOT THIS: It's a lot of work to hang needed controls on a machine . . . or to install them individually nearby. Bulky, inconvenient, space-wasting, costly to assemble and install.

BUT THIS: The same number of Controls takes up little space in a section or two of Unitrol nearby. And it's easy to construct, ship, install, and inspect control when it's built into Unitrol.



1st . . . . The Unitrol Unit



The basic element of Unitrol is a simple unit mounting-frame into which any standard control device may be bolted. This unit frame has integral with it a hinged cover or door which may be blank, or arranged for either dead-front manual or push-button operation of the device enclosed.

2nd . . . The Unitrol Section



is a steel enclosure which houses and supports a group of Unitrol Units. It is constructed of standardized interchangeable members to form the sides, top and back . . . with unique provisions for bus supports, wiring troughs, conduit or duct entrances, etc.

3rd . . . The Unitrol Control Center



consists of a grouping of Unitrol Sections fabricated into a complete sectionalized assembly and delivered ready for installation and use.

Unitrol is the next step forward in Motor Control Practice. But it offers so many advantages that you cannot afford to wait until you are ready to "modernize." Unitrol may have the answer to the problem that has "stopped" you *right now.*

You are invited to bear in mind conditions that face your plant right now, as you read about Unitrol. Unitrol is a new method of housing and installing conventional starters.

The first step is the new Unitrol single unit mounting frame, into which any one of several sizes of conventional starters or control elements can be mounted. The second step is the new Unitrol Sectional frame into which several *unit* controls in *their* frames can be installed. The whole section thus forms a completely enclosed, compact and accessible structure which can be located anywhere, near a machine, against a wall, in a corner and so on. The third step is the Unitrol Control Center composed of more than one section; it is as complete as you want it, extensible, flexible, actually custom-built to your specific and individual needs.

There is no other method of housing and mounting a number of starters as compactly as Unitrol. There is no other method of custom-building a complete motor control center to your individual needs as easily and economically as Unitrol. There is no method as flexible or as interchangeable as Unitrol. Its ability to save space is remarkable. It may eliminate a need in your plant to build plant extensions. It may prove to be just the type of control organization in your plant needed to break a "bottleneck." It grows in size or it contracts in size to keep abreast of your needs. The control elements housed in it may be changed at will, and easily. Its installation requires no special wall or floor preparation. Literally, it can be installed anywhere. Its cost is less than that of even an unsatisfactory substitute.

Unitrol's advantages are so great, its ability to save time, money and space as well as to solve building problems is so extensive that it requires a full-size 36-page booklet to tell them all. This booklet "Unitrol . . . the Next Step Forward in Motor Control" is sent free and without obligation to business executives. Dictate a memo to your secretary now—to send for a copy of this interesting book. CUTLER-HAMMER, Inc., *Pioneer Electrical Manufacturers*, 1251 St. Paul Ave., Milwaukee, Wisconsin.

CUTLER-HAMMER
UNITROL
C-H

Copyright 1941, Cutler-Hammer, Inc.



Vice President Henry Wallace has let it be known that he would accept speaking engagements

Talk Ain't Cheap

By CARLISLE BARGERON

HIGH government officials and members of Congress now offer strong competition for the professional speakers and commentators. And financially many of them do well at their avocation!

THE IMPATIENT citizen who grumbles that Senator Blank is talking too much in the Senate and holding up the works may be doing the statesman a grave injustice. It may easily be that the Senator is making gratis for his constituents a speech for which audiences out in the country would pay as much as $500.

Anyway, the fact is that, with the increasing importance of Washington in the scheme of things, Senators, congressmen and high government officials in general are coming more and more to compete with the humorists, commentators, professors and refugee statesmen in that vast and profitable American industry of speaking before women's clubs, business men's meetings and gatherings of every sort. Two Senators who have been working particularly hard at it are averaging some $15,000 a year over their senatorial incomes.

Our public speakers invariably cite free speech as one of democracy's greatest attributes, but any fellow who has tried to get a speaker for a dinner or some other kind of meeting will tell you that mighty little of the speech is free.

A New York speaker's bureau recently solicited Washington's Dollar-a-Year man after the fashion of a Correspondence School which bluntly asks: "Do you want to stay in that income groove all your life?"

It listed 25 Senators and members of Congress as among its clients along with such celebrities as Hugh Johnson and the humorists, Billy Van, Strickland Gilliland, Bugs Baer and "Senator" Edward Ford.

The fact is that a majority of the Senators and the more outstanding members of Congress have agreements with one or another of the New York talent agencies. It doesn't follow that they are all in demand or can be induced to accept more than an occasional engagement. But when they do appear, if it is not a political gathering or one in their home state, their fee is from $200 to $500, from which they pay their expenses and from 15 to 25 per cent to the agency.



Secretary Frances Perkins gets around $500 and she reads her speeches

For example, in advertising the majority leader of the Senate, Sen. Alben W. Barkley of Kentucky, the agency says: "There is no more authoritative defender of the New Deal," *etc.* "The Senator is available for occasional speaking engagements only," the agency says, "but, if he favorably considers one, you can be assured of a thoroughly prepared, highly informative and intensely interesting discourse."

Of Congressman Henry B. Steagall, Alabama, chairman of the powerful House Banking and Currency Committee, the agency's pamphlet says:

"During these strenuous days it is difficult for Mr. Steagall to spare the time from his duties in Washington, but he has agreed, where the occasion warrants, to give an occasional address that we know will enlighten his audience on the financial problems of our Nation, which every business man will be vitally interested in."

Sen. Pat McCarran, Nevada, is advertised as an authority on such subjects as "Aviation," "Today's Vision of the Constitution," "America's Place in Affairs of the World," "Silver, the Servant of Man," and "The Growth of Executive Powers in the American System of Government." He is one of the Senate's best orators but it is emphasized in his billing that "under no circumstances will he permit any outside invitations to interfere with his duties in Washington."



Senator O'Mahoney is a popular speaker since he started his monopoly investigations

Of Sen. Joseph C. O'Mahoney, Wyoming, chairman of the Senate Monopoly Committee which has just made its report, the agency pamphlet says:

"The demand to hear Senator O'Mahoney is far beyond his capacity to fulfill but, where the occasion is really worth while and time will permit, the Senator has consented to accept a few

CHEVROLET



LEADS IN SALES *BECAUSE IT* LEADS IN VALUE

Again in 1941—for the tenth time in the last eleven years—Chevrolet is leading all other cars in sales!

The reasons why *more people buy Chevrolet than any other make of car* are as simple as A B C, as logical as two and two are four.

It has a fashion-first *Body by Fisher* of the same type, size and quality featured on higher-priced cars!

It has a *90-h.p. Valve-in-Head "Victory" Engine* that out-powers, out-accelerates, out-performs all others in the biggest-selling low-price group!

It brings you a long line-up of quality features found in no other low-priced car . . . *and* . . . gives combined economies of purchase price, operation and upkeep impossible in any other car that matches it in quality!

Chevrolet leads in sales because it leads in value! So—*Why Pay More? Why Accept Less?*

CHEVROLET MOTOR DIVISION, *General Motors Sales Corporation*, DETROIT, MICH.

GIVE LOW-PRICED CARS THIS **"QUALITY QUIZ"** AND YOU'LL CHOOSE CHEVROLET!

	CHEVROLET	NO. 2 CAR	NO. 3 CAR
90-H.P. VALVE-IN-HEAD ENGINE	YES	NO	NO
CONCEALED SAFETY-STEPS	YES	NO	NO
VACUUM-POWER SHIFT *AT NO EXTRA COST*	YES	NO	NO
BODY BY FISHER *WITH UNISTEEL TURRET TOP*	YES	NO	NO
UNITIZED KNEE-ACTION	YES	NO	NO
BOX-GIRDER FRAME	YES	NO	NO
ORIGINAL FISHER NO DRAFT VENTILATION	YES	NO	NO
TIPTOE-MATIC CLUTCH	YES	NO	NO

ONLY CHEVROLET HAS ALL THESE QUALITY FEATURES

YOU'LL SAY "FIRST BECAUSE IT'S FINEST!"

invitations in order to give the business world a clearer understanding of the problems and objectives involved in the investigation."

One of the most sought after Republican speakers is Sen. Styles Bridges of New Hampshire. Of him the agency says:

"He is a young man with an attractive and magnetic personality, who speaks in a melodiously clear voice with the enthusiasm of youth and the wisdom of experience and never fails to satisfy the most critical audiences."

The fact is that for two years up through the recent presidential campaign, the Senator gave about $1,000,000 worth of talk away trying to build up the Republican party.

Sen. Alexander Wiley, Wisconsin, is advertised as a "spokesman and leader of a new trend in public sentiment and no organization can afford to pass up an opportunity to hear him." Manifestly, his sketch was prepared before last November as, at that time, something happened to that trend in Wisconsin, Roosevelt carried the state and Senator Bob LaFollette was reelected.

Sen. Elmer Thomas, Oklahoma, is described as a "rising statesman whose knowledge of currency problems has created a sensation." It has done every bit of that. He is a leader of the inflationist school.

Sen. Millard Tydings, Maryland, is billed as being from Henry Mencken's "average state and presenting the average man's point of view." His colleagues look upon him more as a master of satire. One of his best jobs of satire, in fact, was done in the Senate in 1935 against a pork barrel flood control appropriation bill. He aimed his shafts particularly at projects in several Pennsylvania towns which seemingly would never be in danger of flood. With delightful mockery he depicted rushing waters in the main streets of these towns. The next spring, floodwaters, as if to embarrass him, did exactly what he mockingly depicted.

Undoubtedly, the most rounded out Senator available, according to the billing, is Sen. Scott W. Lucas, Illinois. This is it:

"He has no trace of bigotry or ill will toward any class of people. He believes sincerely and passionately in American ideals of fair play, tolerance and democracy. Is strongly opposed to Communism, Fascism or any Ism affecting the Government except Americanism. As he says 'I hold it to be the first duty of America to mind our own business and keep out of trouble in a world full of war. I will vote millions or billions if need be, to prevent a belligerent invader from setting his hostile foot in American soil, but I will not vote one dime to send the boys across the pond to pull the chestnuts out of the fire for a foreign power.' "

Mrs. Roosevelt, of course, tops the Washington presentations. She gets as much as $1,200 an engagement and, even at that price, she makes plenty of money for the local organization which underwrites her appearance. She is a natural for her promoters in that she gets enough free publicity before and during her stay in a community to pack the hall.

The Senators, ordinarily, come and deliver their speeches and go on their way without creating a ripple in the life of the community. When Mrs. Roosevelt comes to town it is an event.

Frances Perkins gets around $500 an appearance as does Paul V. McNutt, the Federal Security administrator.

Shortly after Henry Wallace was elected vice president, he let it be known that he would have to take some speaking engagements because he had resigned several months before as secretary of agriculture and wouldn't get back on the pay roll until his inauguration as vice president, January 20. However, Mr. Roosevelt sent him to Mexico as a good-will ambassador and he was thus taken care of out of the millions of loose dollars floating around Washington these days. He is available now for occasional engagements.



Senator Nye came into great demand after his Senate Munitions investigation a few years ago

The three leading money makers of Congress from speaking engagements are Senators Claude Pepper of Florida and Gerald P. Nye of North Dakota, and Congressman Martin Dies. Dies has got real melodramatic stuff about Communists and Fascists. He sells almost as widely, in fact, as the current best seller "Out of the Night."

Nye came into great demand from his conduct of the famous Senate Munitions investigation a few years ago. This investigation turned up disclosures purporting to show that the international bankers and munitions makers were responsible for the First World War. Nye made so much money going around the country—even into Canada—telling about the committee's findings that his colleagues became envious and when the committee subsequently drew Woodrow Wilson's name into the inquiry they took delight in torpedoing it.

However, he is still in demand as a peace crusader. Pepper is cleaning up with his crusade for all-out aid to the democracies. Both are exceptionally good speakers. Pepper emphasizes his strong Southern accent usually by beginning his speech with a dialect story. He has recently been advocating the removal of the difference in the rate of international exchange between this country and Canada. It is doubtful, however, that it will have the same chautauqua appeal, so to speak, as the championing of all-out aid to the Democracies. On this the Senator plays all the chords and is really good.

The speaking business has its hazards, admittedly.

Several months ago a representative suffered considerable embarrassment when it developed he had made several speeches under the sponsorship of an organization which was advocating legislation of which he was the author.

Accusations of bribery

BACK in the days of the running fight between the Wets and the Drys, the former literally burned up over the practice of the Drys of taking honorariums, as they were called, from the Anti-Saloon League. The Wets insisted that this was a form of indirect bribery. The complacency of the Drys further enraged them. The Drys considered themselves to be on the side of Righteousness and nothing the Wets charged could ruffle them.

Former Sen. Tom Heflin, Alabama, was one of the most successful senatorial public speakers and when he innocently hit upon his anti-Catholic harangues it looked as though he had a gold mine. Originally, he intended it in clean fun because a member of the House representing a Catholic constituency would periodically introduce a bill demanding that this country intervene in the Mexican Government's persecution of the church. The bills wouldn't get anywhere and Heflin didn't expect his harangues to get anywhere. But his oratory so outraged an auditor at Brockton, Mass., on one occasion that he threw a beer bottle at the Senator. With that, Heflin, one of the Senate's most picturesque numbers, became obsessed.

He carried his harangues to the point, in and out of the Senate, of being ridden out of his party and subsequently out of public life. He was one of the Senate's best story tellers, too.

Not infrequently, a Senator whom his colleagues do not look upon as a good speaker, is a humdinger away from Washington. In such cases the man is a good speaker but not a good debater. Those who aren't good debaters are reluctant to get up on the Senate floor for fear of the trouble they may get into. Away from Washington where they aren't likely to be challenged they can hold an audience spell-bound—do better than some of the debaters whose names are household words, in fact. But, unless they are active in the Senate, they aren't likely to get up into the $500 a speech class.

Yet Miss Perkins gets $500 and she reads her speeches, as does Vice President Wallace. His future audiences will probably be able to tell how he is progressing in Spanish. He is studying it so intently that he uses it on every possible occasion.

FORWARD!



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Never Too Old to Learn



Secretary Bradford takes a whirl at pedagogy



PHOTOS BY JOHN ADAMS

The luncheons will be supervised by the top supervisor of the Restaurant Association



Students spend Saturday afternoon writing their examinations

FOR 19 years trade association and chamber of commerce executives have been going to summer school where they can ferret out the best methods and means of serving their numerous bosses.

Each year they study subjects of local concern such as membership campaigns, publicity and civic activities and delve into the broader problems of national defense, public relations and economic trends so that they may more ably serve the employers whom they represent.

Instructors are chosen from nationally known authorities on specific subjects and men from their own ranks who have had successful experiences in handling the subject which they are asked to teach.

Instructors who find it difficult to get away from their regular duties have frequently shown their interest in the school by coming in each day via airplane for an hour's lecture.

The National Institute is sponsored by the American Trade Association Executives, the Chamber of Commerce of the United States, the National Association of Commercial Organization Secretaries and Northwestern University at Evanston, Illinois, where it is held for one week each year—this year, the week beginning August 17.

The requirements for a graduation certificate are based on a minimum of three years' attendance and qualifying examinations are held on the last afternoon of the week.

Roscoe Goddard of the Worcester, Mass., Chamber of Commerce is president of the Institute with Clarence R. Miles, 832 First National Bank Building, Chicago, handling the duties of general manager.

An added attraction at this year's meeting will be the presence of the educational director of the National Restaurant Association who will personally supervise the noon-day luncheons so that 300 folks from 35 states will get six lessons in scientific meal planning.

Highlights of the Institute this year will be the public speaking contest and the Van der Vries award which is sponsored by the National Institute Alumni Association.

The competition for the award is open to any trade or commercial organization executive or staff member and carries with it a $50 cash prize which must be used for attendance at the Institute. Two winners will be picked, one from trade associations and one from local chambers for the best presentation of successful achievement in group welfare.

The project may be membership campaigns, community welfare, marketing campaigns, employer-employee relations or any other activity that indicates group progress. Entries close July 1 and should be mailed to Howard N. Yates of Aurora, Illinois.



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	1845—New York City	1837
	1851—San Francisco	1843
1861 Civil War	1866—Portland, Me.	1857
	1871—Chicago	1873
	1872—Boston	1893
1898 Spanish-American War	1877—St. John, N.B.	1907
	1889—Seattle; Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
1917 World War	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	

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Labor Leads in Defense Costs

PRESSURE of events abroad pushes comparison of costs of production in defense industries of United States and Germany into forefront of public notice, stirs public and private curiosity about relation of wage and salary expense to price figures, prompts detailed commentaries on the efficiency of "free" and "slave" economies.

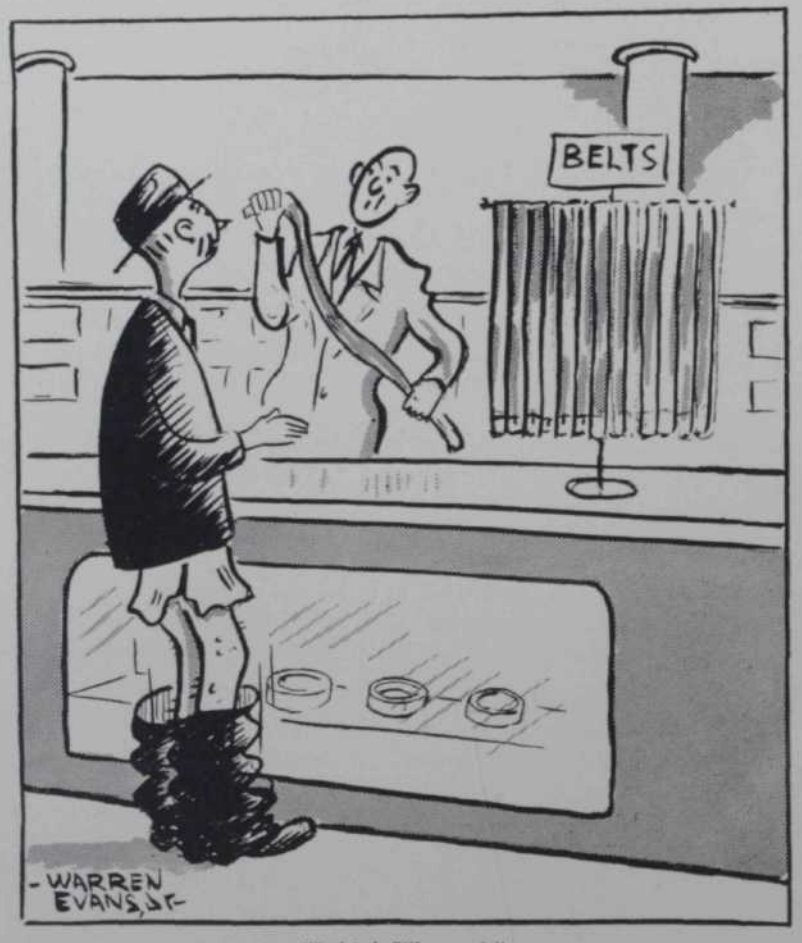
Wage-and-salary costs account for two-thirds of the total selling price of aircraft, trucks, and other defense materials—not the 15 to 30 per cent commonly assumed—and are four times as important as materials cost, according to an elaborate study made by Northwestern National Life Insurance Company.

Labor gets 66 per cent

AVERAGE U. S. aircraft manufacturer pays 28 per cent of selling price for direct labor, another 12 per cent for indirect labor—supervision, designing, and testing—and 39 per cent for parts and materials. But parts and materials bought by the manufacturer, consisting of engines, instruments, finished parts, and accessories, themselves average from 25 to 30 per cent direct labor costs, plus additional indirect wages, as average airplane motor, listed as "materials" by aircraft manufacturer, requires 4,000 hours of direct labor, and military planes average two motors each. Price of iron and steel used by the engine manufacturer, in turn, is 35 per cent direct labor. Going back another step, iron ore is 36 per cent direct labor.

Result, accumulated direct manufacturing wages total 47 per cent of selling price of average plane; indirect labor costs, including wage and salary items involved in designing, engineering, supervision, testing, plant maintenance, sales and management, accumulate to another 19 per cent of the price, making wages total 66 per cent of the selling price of the finished aircraft. Materials, when labor is extracted, boil down to net of 15 per cent. Even shipping costs are 57 per cent wages.

All other items, including taxes, depreciation, profit, and interest on borrowed funds total 19 per cent. These items also would sift down to further labor costs if analyzed far enough. Machine tool equipment, for example, on which depreciation, interest, and other overhead costs are paid, contains a large element of labor costs.



"I think I'll wear it"

German hourly wage rates in industry generally run about one-third of corresponding U. S. wage levels, ranging from 25 cents to 32 cents an hour for male labor with skilled workmen getting the 32 cent rate. In the German steel industry, wages average 28 cents an hour. Issuance of German labor data has been restricted since the end of 1939, but wages were stabilized by law at the outbreak of war.

German maximum wage rates are fixed at only ten per cent above minimum rates in the various industries. Increases are forbidden by law. Strikes are impossible. Direct mobilization of German labor began in June, 1938, when Goering decreed power to the central labor exchange to require any allotted work of all German citizens. The eight-hour day in Germany exists only on paper; a ten-hour day is standard throughout the armament industry; beyond ten hours, overtime is paid in some cases up to one and a quarter times regular rate.

German labor not comparable

THE German "slave labor" force of war prisoners approximates 1,000,000 men. Another low-cost labor group, including workers imported from occupied countries, numbered 1,100,000 men in December, 1940, and is undoubtedly larger now. Many of these workers "volunteered" for labor service in the Reich under penalty of being deprived of their ration cards, and therefore of food, if they failed to do so. Moreover, the German Government took steps before the outbreak of war, to utilize labor of German civil prison inmates.

Although Hitler has obtained much material by plunder, cost of military operations and of subsequent occupation can be considerable. On the study's showing that the ultimate cost of materials amounts to only 15 per cent of finished prices, when all labor costs are sifted out, Hitler's advantage in capturing great sources of iron and aluminum and other important defense supplies through invasion becomes a minor one viewed in its effect on the comparative financial cost of producing German and American defense *matériel*.

With United States aircraft and other defense plants now generally operating at capacity or near it, American efficiency is probably as high as that of the German factories and perhaps greater because of the better nourishment of workers and freedom from interruption by air raids. Consequently, overhead costs should be little, if any, higher than Germany's. In the defense industry, sales expenses in U. S. factories are now zero in the ordinary sense, being confined to demonstration, testing, and a strictly engineering form of sales work. These costs also appear in the German defense production.

As to supervision and management ex-



What every Manufacturer should Know about Plastics

The first thing a manufacturer should know about BAKELITE Plastics is the extreme diversity of forms in which they are produced; second, the widely-varied methods of fabrication by which they are converted into useful finished products. Careful choice of materials and manufacturing methods are important considerations, as no two plastics problems are exactly alike.

The illustration shows merely four of the hundreds of BAKELITE Plastics available to industry. One is a gem-like *cast resin*, cast roughly to shape, then machined and polished to finished form—in this case, two-tone cutlery handles of lasting beauty. Another is tenacious, heat-resistant *cement* used to set electric light bulbs and radio tubes in their bases. A special heat-resistant *phenolic molding material* is employed for cooking utensil handles and fittings. *Urea plybonds*, in both powder and liquid form, provide strong, durable, water-resistant adhesives for plywoods and veneers.

To learn more about the many forms of BAKELITE Plastics and their processing, write for a copy of booklet 25P, "New Paths to Profits". We offer, in addition, the services of our Engineering Advisory Staff and Development Laboratories towards the solution of your plastics problems.

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pense, variation would probably be more apparent than real. Supervision and management in the German armament industry is done to a greater extent than in the United States by army men paid directly by the Government, a situation more comparable to our government arsenals and navy yards than to private defense industries. Major difference is simply that, in dealing with private industry, the Government pays for such items in the purchase price, instead of in the form of direct salary checks.

Profits are uncertain

IN RESPECT to profit, the German facts are obscure, but it has been the present German Government's policy to guarantee a certain profit to stockholders of concerns cooperating fully with the Nazi Administration. So far in the United States, profits in defense industries have largely been plowed back into development and expansion, particularly in the airplane industry. Mounting taxes in the United States are likely to recapture the bulk of profits in the armament industries from now on. In Germany, capital in the armaments industry is nationalized, so the item of interest on borrowed funds is pretty well eliminated.

All in all, the study concludes, Hitler has probably little advantage on the side of overhead, little from the standpoint of material cost—a comparatively small item—but a very large advantage in wage costs, sufficient to make a difference of probably 50 per cent or more in the final price paid for aircraft and other defense material. Because German wage levels average only one-third of American standards, and Hitler has in addition the advantage of a large "slave labor" force, the $36,000,000,000 U. S. defense program now under way will be equal to about $15,000,000,000 to $18,000,000,000 of German armament expenditures.

European standards of living for workers have never approached U. S. standards. Although the American worker's hourly wage rate is about three times as great as the German worker, the American advantage in income per family is proportionately not as great as the spread in hourly wage rates, because the German worker puts in many more hours a week and there are more workers per family in Germany than in the United States. This state of affairs traces not only to war pressure to get every bit of man-power and woman-power into the war effort, but also in part to the German apprentice system, which inducts more youths into industry, and at a lower average age, than is the case in the United States.

Savings and investments by German workers are piling up in great volume, the study reveals, largely because there is little else for them to spend their money for after they have bought the bare necessities. Rationing of various commodities channels the German worker's expenditures about as the Government wishes them to be directed. Luxuries as Americans know them are simply not available, so the German worker's surplus after necessities is available for savings and investments, principally government bonds.

Commerce Bureau Overhauled

THE RECENT reorganization of the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce, represents an effort, according to the chief of one of the divisions, to make the Bureau more efficient as a fact-finding agency.

Formerly, said this official, too many activities were being carried on without regard to timeliness or what use could be made of the information assembled. The head of each project was intent on making a showing, on paper at least, and of expanding his force, without sufficient regard for customers of the product.

The new set-up under Director Carroll L. Wilson has five divisions: Research and Statistics, Industrial Economy, International Economy, Regional Economy and Commercial and Economic Information. This functioning is both by regions and by industrial groupings. Under the regional chief are 32 district offices supplying market and other data to business. As newly organized, these district offices are expected to establish a closer liaison with business and industry. This appears to be one phase of Secretary Jesse Jones' attempt to soften business toward the Administration. Some of the Bureau officials are conscious of the handicap under which Harry Hopkins left them in that respect.

Particular emphasis just now is being given to planned development of the domestic markets and the effort to help particular industries regard their problems in the light of the whole economy or the general good. The Bureau chiefs feel that there are many jobs they can assist chambers of commerce and trade associations in doing.

★ ★ ★



He Found Success in Vacuum

Bartlett Arkell (left) founded the Beech-Nut Packing Company just 50 years ago with fewer than 10 employees and assets of $10,000. He served continuously as president of the organization until last month when he became chairman and W. Clark Arkell assumed the president's post.

Beech-Nut started in a barrel in Canajoharie, N. Y., when Mr. Arkell and some of his friends started merchandising hams which a neighbor had been smoking in a barrel. After the usual difficulties of marketing, production and near failure faced by pioneering entrepreneurs, Mr. Arkell discovered the vacuum jar which had just been invented. It met his chief problem of packaging meats so that they would not spoil and could be shipped great distances.

Since then many new products have been added and the Beech-Nut trademark on chewing gum, coffee, bacon, candy and other food products is a well known symbol wherever housewives gather to stock their kitchen larder.

★ ★ ★

Knight in White Armor

(Continued from page 30)

News staff a journalistic instrument that almost worked itself. One man who long handled his own department reports:

"I don't think Mellett ever told me what to write. I wrote what I wanted to —but I wanted to please Mellett. About the only thing that brought a complaint was a complex sentence.

"He wanted simple writing that anybody could understand. And he could do it—beautifully."

He also knew what people wanted to read.

Planned a successful campaign

ONCE he had an idea for a campaign. He sent one of the staff out to do some spadework by way of getting important people to say that the campaign would meet a great public need. Important people didn't think so. One went so far as to call the idea "improper."

The staff man so reported to Mellett.

"Fine," Mellett said, "the campaign starts Monday. You're in charge."

"And," the staff man remembers, "the campaign was a great success."

Meanwhile, Mellett was also guiding Scripps-Howard editorial policy. His writings, or writings he approved, favored Government operation of Muscle Shoals, George W. Norris and the working man, among other things. What has been called "the interests" was definitely opposed.

A man who grew rich because his stocks increased in value or because he had a monopoly or saw something before the rest of the world was not necessarily a public enemy to Mellett, but he was definitely under suspicion. Some have seen envy in that. Most don't. His view has not changed today although he now has a nine hole golf course on his place west of Alexandria. He merely admits exceptions.

In the Scripps-Howard days he lived in a charming but unpretentious Georgetown house where his wife, the brilliant and wholly delightful Berthe Knatvold, presided at a candle-lighted dining table or in the comfortable drawing room.

She was Mellett's second wife, author of several books and a constant inspiration to her husband. Associates recall that, when she died several years ago, some of Mellett's fire died, too. He showed little surface grief. The man's emotions run deep.

When his brother, Don, was murdered in Akron, Ohio, in 1925, as a result of an editorial attempt to drive the criminal element out of the city, Mellett devoted himself to the task of bringing the murderers to justice.

Yet, people who were close to him at the time do not remember that he ever mentioned Don's name, except in response to a direct question. After the murder, he wrote a requiem in the form of an editorial, "The Boy Who Wouldn't Fight." It was almost his only public word on the subject.

When Roy Howard's mother died in California, the son flew to Chicago and took a train for the West Coast. He was surprised to find Mellett on board. After the funeral, Mellett returned to Washington. He has never spoken of it since.

A real interest in ideas

IN SPITE of his love for individuals, one doubts if Mellett has any great affection for people in the mass. His real interest is ideas.

He would try to improve the lot of the submerged tenth as an exercise in social justice rather than because of sympathy for individuals. At least that is the impression.

It is not difficult to believe that his ardent support—some have called it idolatry—is given to Roosevelt, the social force, rather than to Roosevelt, the man.

In the early days, at least, the presidential personality left him cold. He quit the Roosevelt presence once, shaking his head.

"That smile," he said. "He seems to turn it off and on."

Yet it was inevitable that Mellett should be a Roosevelt man. The President is putting into practice policies in which Mellett has believed for years.

In the early days of the Roosevelt presidency, that was all right with Scripps-Howard, although other members of the organization were not such wholehearted Roosevelt partisans as Mellett was.

It is fair to say he practiced what he preached.

When emphasis was on labor's right to organize, the *News* staff, with Mellett's blessing—some say, under his urging—joined the Newspaper Guild, an incident from which one man draws a conclusion:

"Mellett has never had to make his ideals pay."

The fact was that the Guild was eager for a foothold in the Scripps-Howard chain and the *News* provided the first opportunity. The contract was generous. Later contracts were different and at one time after Mellett's resignation, the argument became so bitter that a strike seemed inevitable. In the heat of the debate, someone suggested Mellett as arbitrator. The idea had everyone's approval.

Mellett did not actually serve although



"I've got a brother-in-law who got away from all this. He moved out on a farm where he can't plant anything."



ANGELO PATRI, *Nationally known authority and writer on the problems and welfare of childhood and youth.*

When are they old enough to drive?

by ANGELO PATRI



They're asking for the car . . . They want to drive . . . "Gee, all the other kids do!" . . . Sooner or later, every parent has to face this problem . . . It can't be passed over, a decision must be made . . .

How old must a junior be to drive a car on his own? If you can tell me how old he is mentally, how mature he is in character, I can tell you the answer because he must come of age in mind and character before he can drive. This sort of maturity has not much to do with the calendar but it has all to do with experience.

Good drivers are not born on their eighteenth birthdays. They are developed under careful teaching through childhood and early adolescence. Given an intelligent child and a fine example set by the older drivers of the family, any adolescent boy or girl will be able to drive safely.

Beware the Smart Aleck

Spoiled children are not to be allowed to drive cars. The "life of the party," the show-off who is making up for his failures in other directions by way of the family car, the smart aleck who drinks, smokes and totes a girl under his arm while driving, the physically or mentally unfit, these are not to be given their way with a car, though they are old enough to have whiskers.

Young people should learn early that cars are not toys. They are useful and beautiful machines that make life happier, easier and more flexible if used understandingly. They are dangerous, deadly things in the hands of the stupid and the unfit.

A machine is no wiser than its driver. Its brains are supplied by the man at the wheel. Seldom is a car at fault in an accident.

Sense of Responsibility the Key

Parents know their children better than anybody else can possibly know them. When they are in doubt about turning a car over to them it is better that they say No. Better they wait until the young person prove by his responsibility in other directions that he is mature enough to bear the responsibility of driving.

Does He Keep His Word?

Does the young person keep his word? Do other people, especially other fathers and mothers, trust him, or is he the kind that says that he will be back in time for dinner and then does not show up until midnight or after? Is he careful about the young people he carries in the car, who they are and what they are, and how many there are, or does he say, "I'll bring the car this afternoon and the whole gang can pile in and we'll go to the game," and piles in fourteen boys and girls until the running boards are full with S.R.O.?

It is not so important how old the driver is as it is how responsible he is. The heart of the matter lies in his maturity of mind and character.

PLAY *"EXPERTS"*—Get This Fascinating New Game FREE!

"Experts" is the "Information Please" of good driving. It's the amusing, interesting, fascinating way to find out how much you, your family and your friends know about driving—in a brand new *free* game that's fun for everyone.

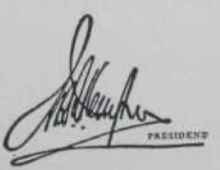
"Experts" brings out the facts about accidents—the sound, common sense basis for good driving rules. Get a group together and play "Experts"—you'll get entertainment and vital information for the whole family. Write us for your *free* copy.

Why is Lumbermens interested in safer driving—not only for youngsters but for adults as well?

The answer is—we want to help accidents *not* to happen.

There is a very sound business reason for this. By crusading for safety and reducing accidents, we can reduce our losses. Reducing losses has enabled us to return substantial dividends to our carefully-selected group of policyholders.

If you are a safe driver and can qualify as a Lumbermens policyholder, you can share in this safety program and receive its dollars-and-cents benefits. Find out about our "broad form" policies available at the lowest cost consistent with safety, from your Lumbermens agent. There are Lumbermens agents near you throughout the United States and Canada.

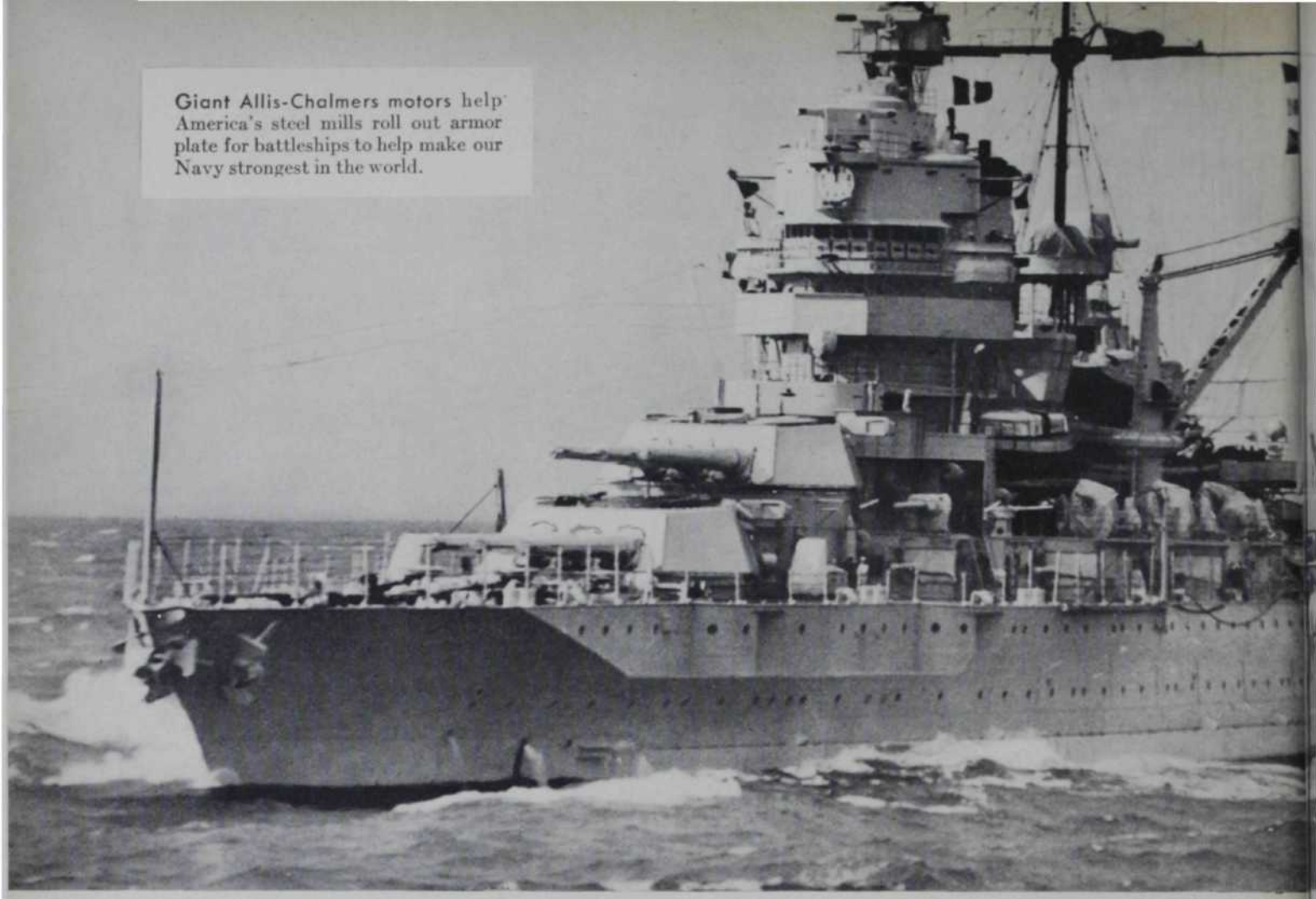


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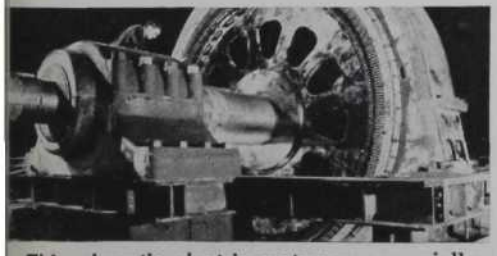




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Engineering Experience to Work for You!



This gigantic electric motor was specially engineered, designed and built by Allis-Chalmers for use in an American steel mill.



Blading a 20-stage axial compressor—just one of 1600 types of industrial equipment designed and made by Allis-Chalmers.

NEW PROFITS

Announcing New Dry-Type Feeder Voltage Regulator! Allis-Chalmers has developed a new Dry-Type Air-Cooled Regulator to operate without oil or synthetic liquids. It gives added protection against fire hazards and toxic gases. Installation costs are low because protective enclosures are unnecessary.

This Regulator is a logical first choice in metropolitan centers where safety and quick, easy servicing are necessary. (*Write for Bulletin B-6126.*)



Cut Costs 34%. Tackling a road grading job with conventional equipment, a Texas contractor moved dirt at a cost of 10.9 cents per yard. That seemed a low figure until an Allis-Chalmers engineer rolled a modern, high-speed, high-powered Allis-Chalmers Tractor and Scraper on the job. Costs per yard dropped from 10.9 cents to the amazing low figure of 7.2 cents —a saving of 34%!

$1250 Investment Returns $3150 Per Year. Watab Paper Company, Sartell, Minnesota, tore out its old pumps . . . replaced them with two new Allis-Chalmers Centrifugal Paper Stock Pumps. Total investment, $1250. Result, $3150 saving per year in power cost. Allis-Chalmers Paper Stock Pumps are No. 1 choice of papermakers looking for production profits! (*Bulletin 1643 will give you full details.*)

"It's Like Gleaning a Second Crop!" —said a leading processor of fuller's earth after Allis-Chalmers engineers modernized his two large mills.

Formerly 50% of his finished product from hammer and cage mills was wasted... rejected by customers as beyond limits of toleration. Allis-Chalmers Gradual Reduction Milling System cut this waste...increased profits 35%. Write for full details.

CHALMERS For Money-Saving Equipment And Engineering Cooperation



FLOUR AND SAW MILL EQUIPMENT



CHEMICAL PROCESS EQUIPMENT



CRUSHING, CEMENT & MINING MACHINERY



HOME HEATING & AIR CONDITIONING



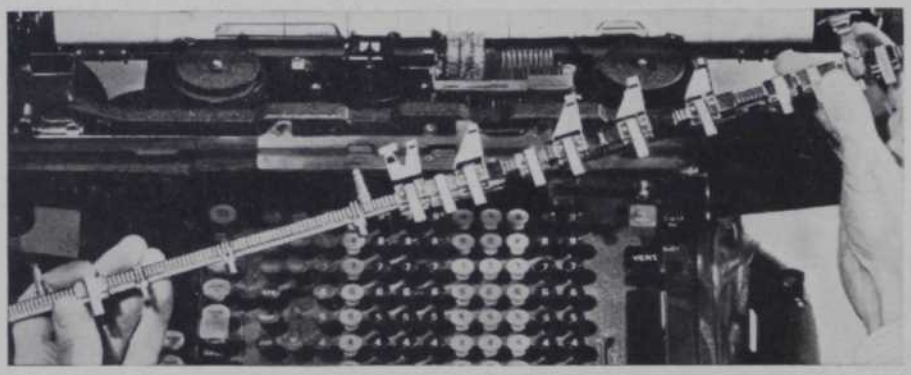
POWER FARMING MACHINERY



INDUSTRIAL TRACTORS & ROAD MACHINERY



"Exactly! And that's why it pays to keep accounting machines busy through the whole business day, at work that cuts waste motions and saves valuable time. Take this all-purpose Typewriting-Bookkeeping Machine made by NATIONAL . . .



"Look! It takes less than one minute to change the column selection bar to fit the job in hand—accounts receivable, accounts payable, payroll and stock records, general ledger or what-have-you! Why, this machine can do almost any accounting job you'll ever meet anywhere.

"Yes, sir! It has the *five essentials* for full-time, labor-saving service—flexibility, visibility, standard 42-key typewriter, standard adding machine keyboard and automatic performance. . . . Of course, NATIONAL makes other machines, too—a complete line for all business uses . . .



"Machines for listing, posting, proving, analyzing, bookkeeping, check-writing, remittance control—and more. Machines that *pay for themselves* many times over, all made and serviced by the makers of NATIONAL Cash Registers. . . . Whatever your problem, see NATIONAL first!"

INVESTIGATE
National
ACCOUNTING MACHINES!

THE NATIONAL CASH REGISTER CO.
DAYTON, OHIO

Cash Registers • Posting Machines
Check Writing and Signing Machines
Bank-Bookkeeping Machines • Typewriting-Bookkeeping Machines • Analysis Machines
National Postage Meter Machines

National

COPYRIGHT 1941, THE NATIONAL CASH REGISTER COMPANY

he was willing to. He was out of Washington at the time and an agreement was reached before he returned.

As late as 1936, Scripps-Howard was still for Roosevelt, at least officially. Reading of their editorials in the Landon-Roosevelt campaign reveals that: "You can't beat somebody with nobody;" that "Dr. Townsend and Father Coughlin and the Rev. Gerald Smith, like the 'princes of privilege,' and 'economic royalists,' and the 'well-stocked clubs,' hate Roosevelt;" that "a man's sized man is still at the controls in Washington."

One finds a eulogy for Tugwell on his retirement, regret that "a great man had gone sour" after Al Smith's Liberty League speech; a word of praise for Mrs. Roosevelt's determination to assert her "right to be herself."

But gradually Scripps-Howard drifted further and further from the Roosevelt banner.

Digs at presidential policy began to appear in Talbert's cartoons. The Supreme Court issue finally tore it.

Roy Howard was about to fly east from Seattle when he read the stories of the court-packing plan. He called Washington:

"We'll come out flat-footed against packing the court."

A split on court packing

HAD Mellett been in Washington, things might have been different. He once talked Howard out of supporting editorially a sales tax plan cooked up at a Hoover conference with business men as a way to balance the budget.

But Mellett was in Mexico on a long leave that followed his wife's death. He is reported to have regarded the court packing plan as the wrong way to do the right thing, therefore, to one interested in ends rather than methods, justified.

When he returned, Scripps-Howard was already committed.

"I'm through," he told Howard in effect.

There was some argument, talk of other positions, even an experiment or two. It was no go.

"I can't write what I don't believe."

So he left. Years of association had undoubtedly taught Howard Mellett's fixity of purpose. He had seen him move determinedly out of the Howard house when, Howard having become his employer, Mellett decided the intimacy they had known as young reporters must end.

Likewise he undoubtedly knew the story of the corporation president who once felt that the Washington *News* had presented his case unfairly.

"I'll be glad to talk with you," Mellett said on the phone.

They spent a cordial hour together while the corporation man presented his argument. Next day the attacks continued.

So Mellett left Scripps-Howard and was almost immediately called to the White House. He says the summons came as a surprise. That is undoubtedly true, although perhaps incomplete. It may be assumed that the men who sur-

round the President knew Mellett's quality and knew that he had resigned a $20,000 a year job rather than oppose the President. Certainly Stephen Early, presidential secretary, is a former A.P. man and as omniscient in the field of journalism as any man has a right to be. Corcoran, Cohen, Berle, Hopkins, Moley and young "Bob" La Follette—then in the presidential train—knew both men.

Joining the new deal

MELLETT went to the White House.

"I want you to be the Director of the National Emergency Council," the President said.

"What's that?" Mellett asked.

"I don't exactly know what it is now. Whatever it may be is up to you."

Mellett took the job. The National Emergency Council had been a somnolent organization that gathered information, answered questions and clipped newspapers.

He changed that. It also changed him, at least temporarily.

Those who had known him best found themselves awkward in his company. He became almost vituperative.

"When we worked with him," one man says, "he gave our opinions credit for being honest, if wrong. Later, he seemed to feel that no one could honestly believe what he himself didn't."

That was a phase, only. Today he is back on the old footing, mostly, although some profess to find a new hardness in him.

Some were amused, too, when on being questioned as to whether a reporter should attempt to obtain and publish secret information, he replied, "I think that the answer could very well be that the reporter should not seek to obtain the information."

Some men remember how staunchly he once upheld a reporter who set Capitol Hill in an uproar by publishing the roll call of a Senate executive session; how, when United Press, also Scripps-Howard controlled, fired a man who had shown enterprise in getting a story which afterwards proved embarrassing to the man who gave it to him, Mellett hired him for the *News*.

The dictocratic way

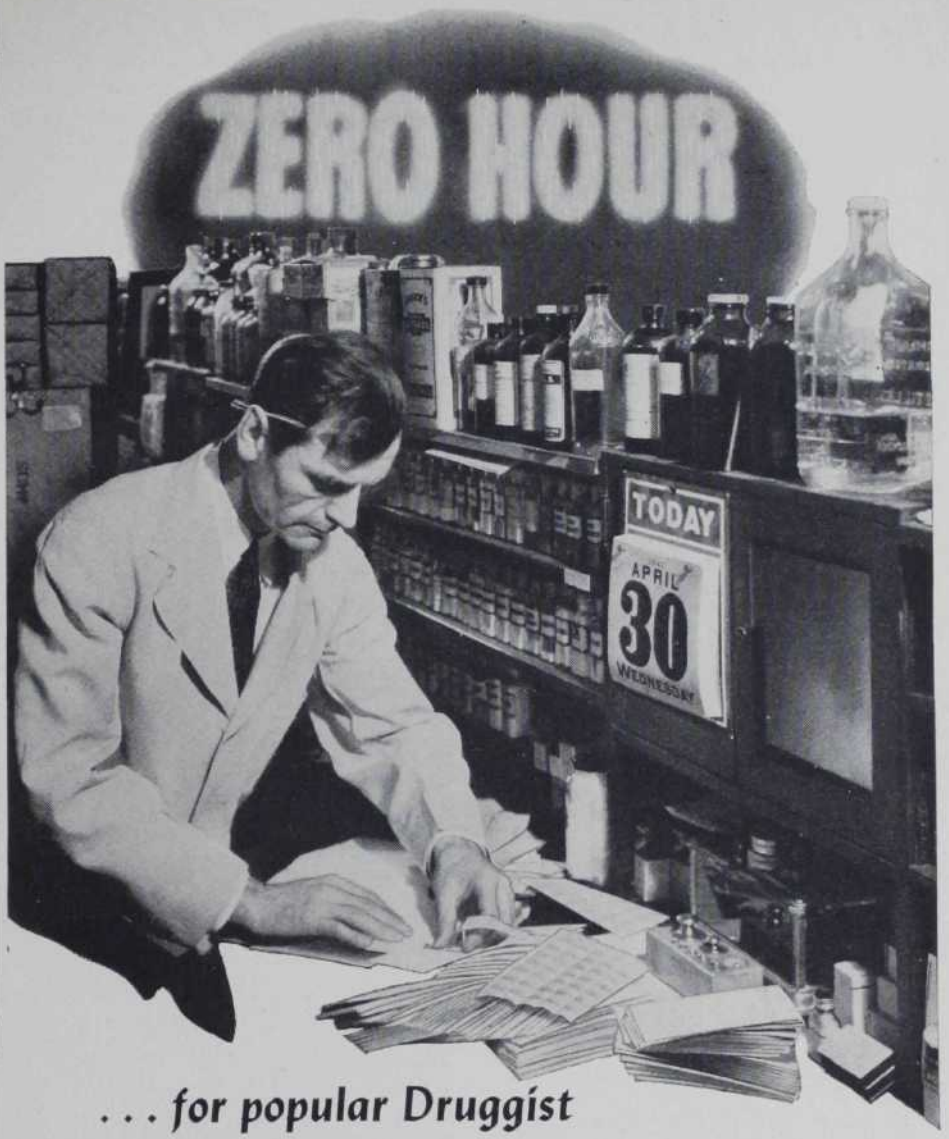
"NOW he seems to feel that a government official knows best what to print," one man said. "Once he would have felt that the people, who are the government, should decide."

The motto, "Give the people light and they will find their way," appears at the masthead of all Scripps-Howard papers.

Under Mellett, the National Emergency Council woke up. When it was changed by presidential reorganization into an Office of Government Reports it had become an effective instrument modelled closely on the newspaper chains about which Mellett knew so much.

The operations of the O.G.R. bear close scrutiny. Under oath, Mellett told the House Committee on Expenditures in the Executive Departments:

The Division of field operations serves



. . . for popular Druggist

CLARK KENNEDY *gets more prescriptions than any other druggist in town, makes more deliveries, has more charge customers. But making up a prescription is a lot easier for Clark than making up a bill—and sending out the bills at the end of the month is a nightmare . . . Too bad he doesn't know about the Postage Meter.*

IF YOU mail bills or notices, even only once a month—a Pitney-Bowes Postage Meter is worth its cost in *convenience* alone!

It does away with ordinary stamps, stamp licking and sticking; *prints* postage directly on the envelope—*prints* stamp, postmark and your slogan, seals the flap simultaneously, saves time, work—and postage.

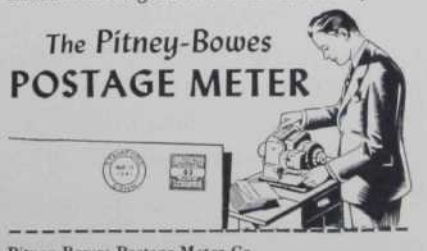
Postage in a Meter can't be borrowed or stolen, is valueless except on your business mail. The Meter keeps its own records, makes postage accounting easy. And as Metered mail is already cancelled and postmarked, it moves faster in the postoffice, gets away earlier.

If mailing is a headache, the Pitney-Bowes Postage Meter is the remedy. And it probably costs a lot less than you think . . . Ask our nearest office for a demonstration on your own mail—or send the coupon—soon!

. . .

...Pitney-Bowes Postage Meter Co., *1329 Pacific St., Stamford, Conn. . . . Branches in principal cities. Cf. phone directory. In Canada: Canadian Postage Meters & Machines Co., Ltd.*

The Pitney-Bowes
POSTAGE METER

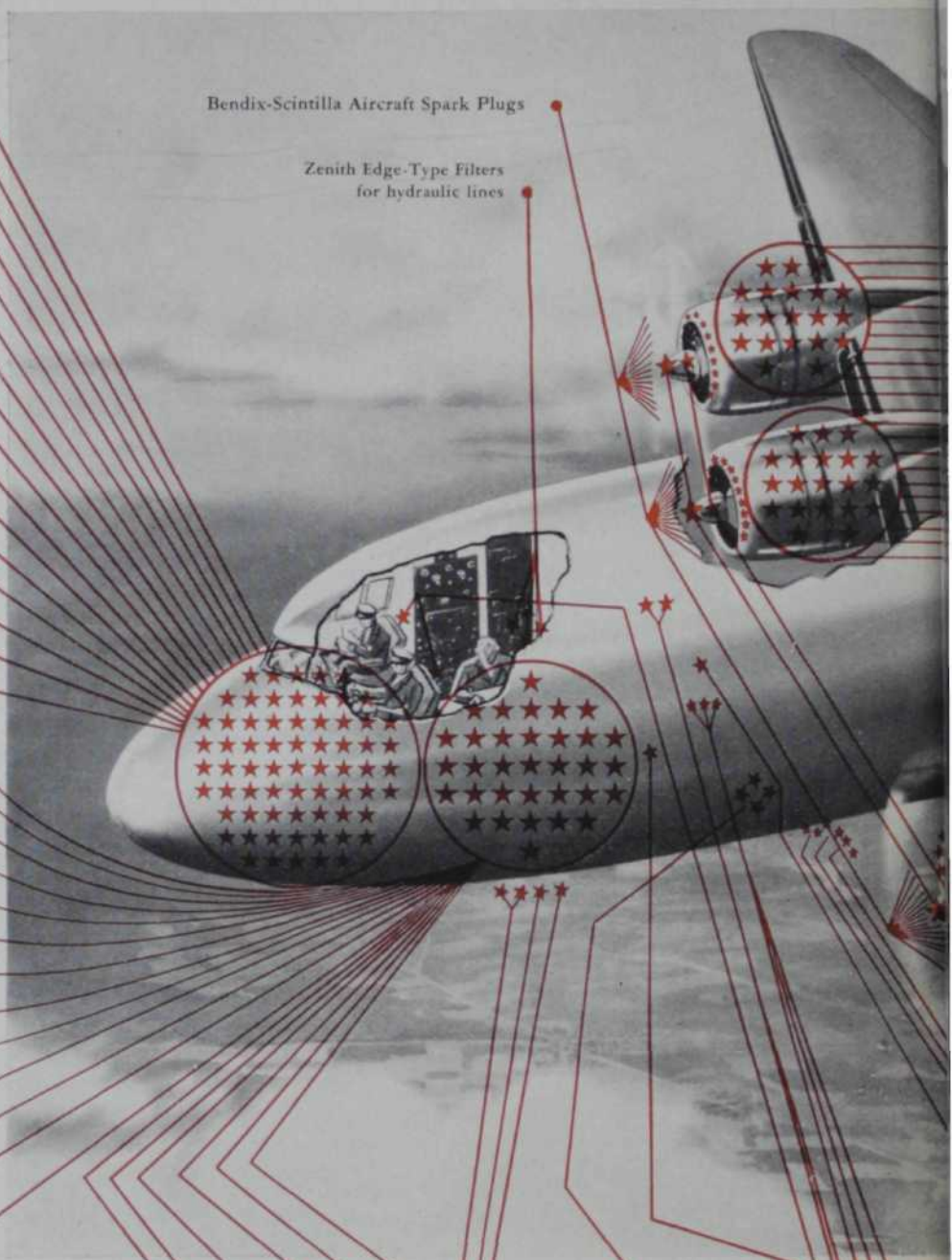


Pitney-Bowes Postage Meter Co.
1329 Pacific St., Stamford, Conn.

☐ Mail me "The Great Grimblestone Survey"
☐ When may we have a demonstration?

Name .....
Company .....
Address .....

HELPING AMERICA PREPARE ★★★



Pioneer Sensitive Altimeters
Pioneer Autosyn Dual Indicators
Pioneer Venturi Tube
Pioneer Autosyn Dual Landing Gear Indicator
Pioneer Rate-of-Climb Indicator
Pioneer Aviation Clocks
Pioneer Aperiodic Compasses
Eclipse Ammunition Rounds Counter
Pioneer Drift Indicators
Pioneer Fuel-Level Gauges
Pioneer Manifold Pressure Gauges
Pioneer Sensitive Electric Tachometers
Pioneer Turn-and-Bank Indicators
Pioneer Accelerometers
Pioneer Air-Speed Indicators
Scintilla Magneto Switches
Scintilla Master Ignition Switch
Eclipse Hand Hydraulic Pump
Eclipse Centrifugal Type Oil Separators
Eclipse Pressure Relief Valves
Eclipse Check Valves
Eclipse 4-Way Control Valve and Switch
Eclipse Pressure Type Oil Separator
Eclipse De-Icer Distributing Valve
Eclipse Vacuum Relief Valves
Eclipse Suction Regulating Valves
Eclipse Propeller Anti-Icer Pump Rheostat
Eclipse Gear-Type Propeller Anti-Icer Pump
Eclipse Hydraulic Remote Control Transmitting Units

Bendix-Scintilla Aircraft Spark Plugs
Zenith Edge-Type Filters for hydraulic lines

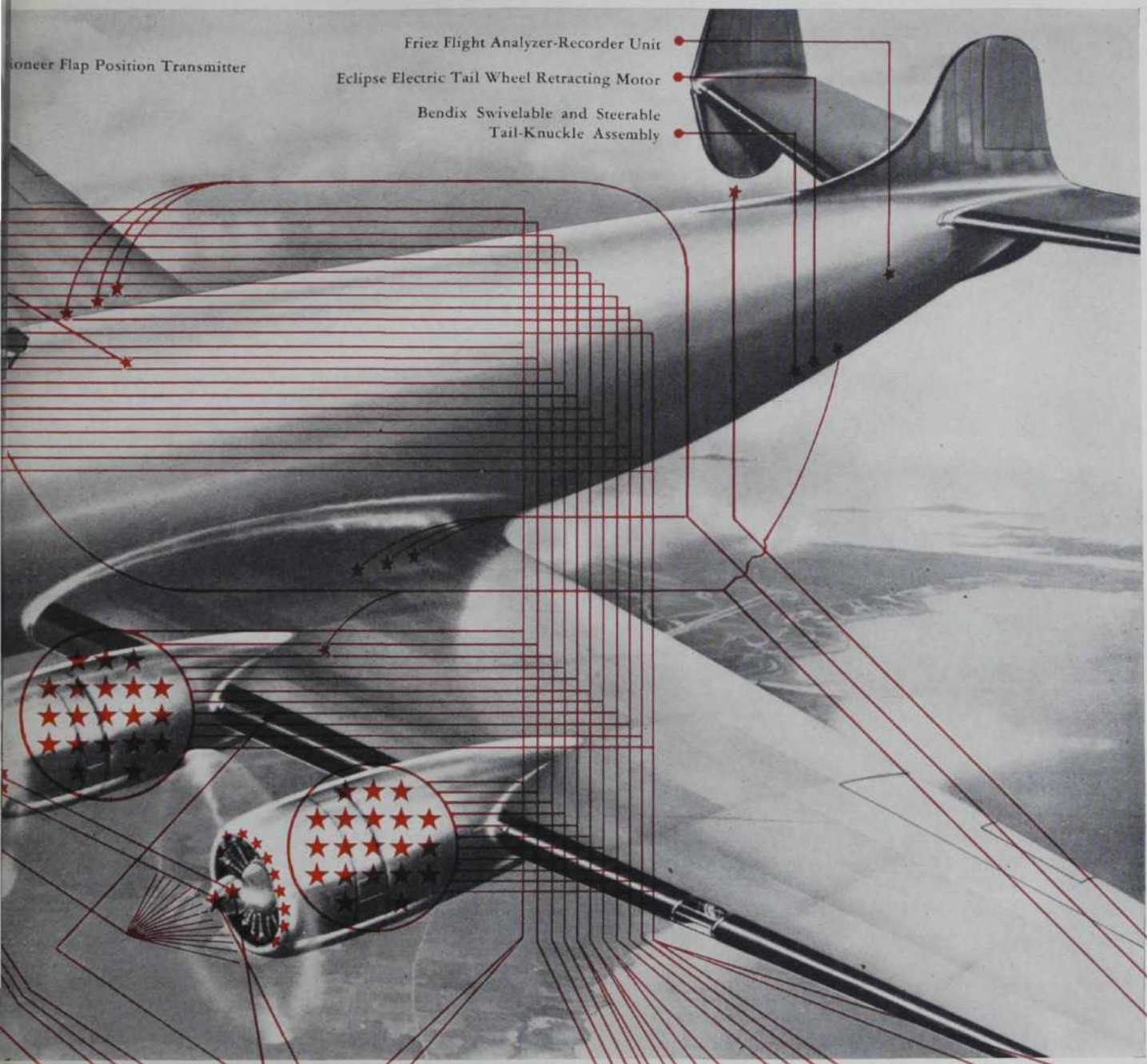
This phantom-diagram of a 4-motored airplane indicates the approximate location of the various Bendix-built components. Naturally, not all of these units are used in any one aircraft.

Eclipse Heavy-Duty Starter Switches
Eclipse Engine Synchroscope
Bendix Aircraft Radio Compass
Pioneer Pitot Static Tubes
Bendix Aircraft Radio Beam-Landing Indicators
Eclipse Flexible Metallic Tubing (quantity)
Bendix Aircraft Radio Directional Loop Antenna
Pioneer Parachute Flare
Pioneer Oxygen Regulator

Eclipse Re-fueling Equipment
Pioneer Dynamotor for Autosyn Power Supply
Eclipse Dynamotor for Radio Transmitting Power Supply
Eclipse Electric Motor Driven Hydraulic Pump for Landing Gear Operation
Bendix Aircraft Radio Transmitter
Bendix Aircraft Radio Receiver
Bendix Pilot Seats
Eclipse Reservoir and Priming Units

Bendix AVIATION CORPORATION

What Bendix Builds for Aviation



ioneer Flap Position Transmitter

Friez Flight Analyzer-Recorder Unit

Eclipse Electric Tail Wheel Retracting Motor

Bendix Swivelable and Steerable Tail-Knuckle Assembly

Eclipse Accessory Gear Box

Pioneer Pressure Warning Units

Eclipse Automatic-Pitch Propeller Hubs

Bendix Airplane Brakes (Landing Gear)

Bendix Airplane Wheels (Landing Gear)

ndix Pneudraulic Shock-Struts (Landing Gear)

Eclipse Electric Landing Gear Motors

Eclipse Auxiliary Gasoline-Driven Generating Unit

Pioneer Tachometer Generators

Eclipse Air Pumps

Eclipse Vacuum Instrument Pumps

Pioneer Fuel Flowmeters

Eclipse Superchargers

Eclipse Generator Voltage Regulators

Eclipse Engine-Driven Generators

Eclipse Battery-Operated Booster Coils

Eclipse Solenoid Starting Relays

Eclipse Direct-Cranking Engine Starters

Scintilla Aircraft Magnetos

Eclipse Automatic Mixture Control

Pioneer Wheel Position Transmitter

Pioneer Fuel Level Transmitters

Pioneer Remote Compass Transmitter

Stromberg Injection Carburetors

Pioneer Autosyn Transmitters

Scintilla Radio Shielding for Ignition Systems

Eclipse Automatic Supercharger Regulators

Plants at: **BENDIX, N. J. • SOUTH BEND, IND. • BROOKLYN • ELMIRA, N. Y. • SIDNEY, N. Y. • BALTIMORE NEW YORK • DETROIT • TROY, N. Y. • PHILADELPHIA • WAYNE, MICH. • BURBANK, CAL. • WINDSOR, ONT.**

Famous health resort shows

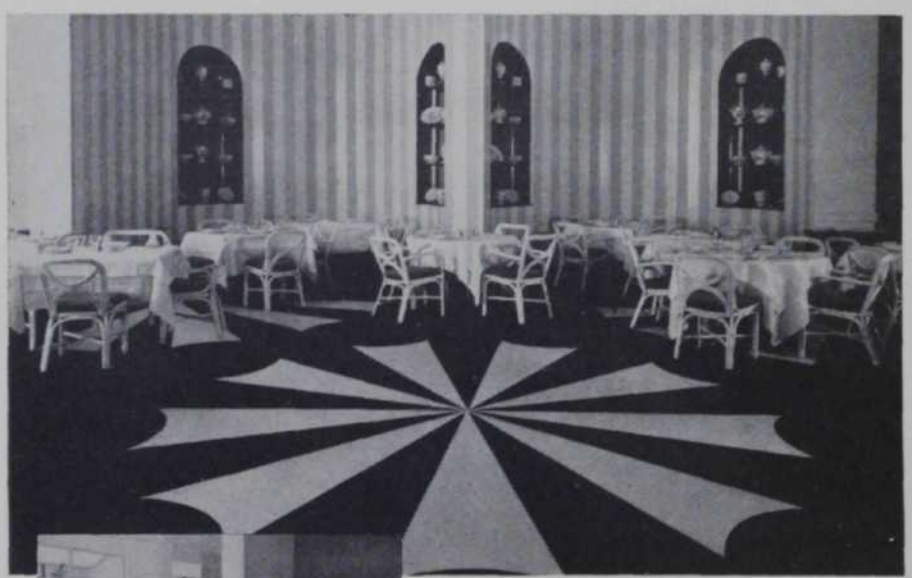
HOW TO TONE UP SALES!



SELLING good health and good times is a job well done by California's popular Arrowhead Springs Hotel in San Bernardino County. And it sets the stage for the selling job with floors of Armstrong's Linoleum.

Guests at Arrowhead Springs want comfort. Armstrong floors are foot-easy, quiet, warm. Guests want color. Armstrong floors create an eye-appealing background for each room. Guests want cleanliness. Armstrong floors are simple to keep clean. Add long wear and low cost and you have the reasons why so many hotels, stores, and showrooms are toning up sales with Armstrong floors.

Get full facts today from your local linoleum merchant, and write for our color-illustrated book. Sent free (40¢ outside U.S.A.). Armstrong Cork Company, Floor Division, 4106 Coral Street, Lancaster, Pa. (Makers of cork products since 1860)





BEFORE YOU SEE THE MENU in this inviting dining-room, you just know that you are going to get good food and service. The smart Armstrong floor does its full share toward creating this impression. Architects for Arrowhead Springs Hotel: Gordon B. Kaufmann, F.A.I.A., and Paul R. Williams, Los Angeles. Interiors designed by Dorothy Draper, Inc., New York.

TO CURE THAT TIRED FEELING, relax and enjoy life in this restful sunroom. From the floor up, this room is designed for the comfort of guests. And the Armstrong floor does its part by cushioning footsteps and quieting noise.

ARMSTRONG'S LINOLEUM FLOORS

Custom-Laid or Standard Designs

PLAIN • INLAID • EMBOSSED • JASPÉ • CORK TILE • ASPHALT TILE
RUBBER TILE • ARMSTRONG'S LINOWALL *and* ARMSTRONG'S QUAKER RUGS

as a contact between the federal and state governments, local governments and citizens. It serves also as a liaison and coordinating office between federal agencies in the field. Finally, and perhaps most importantly, it serves as an information office to the President on the functioning of federal programs in the states.

There are 34 agencies in as many states. The Washington office analyzes and summarizes reports from state directors concerning the work of federal departments and agencies and assists in the adjustment of these problems. It clears legislation proposed by federal agencies for enactment by state legislatures—reports on state legislation which may affect federal agencies—makes available on request information concerning the functions and operations of the executive departments and agencies—compiles statistics covering federal expenditures—supplies state directors with information necessary to their functioning as central clearing houses—through which inquiries and complaints may be transmitted—

Information may be colored

THE Division of Press Intelligence makes available to government officials a day-by-day and permanent record of newspaper information and opinion. A total of 114,300 papers were read in 1940 and 451,091 news items and 203,200 editorials were summarized and grouped under the department headings in the *Daily Bulletin*. Last year 172,700 clippings were lent to officials and members of Congress for study and more than 1,771,800 duplicate clippings were provided. From 50 magazines, 11,300 articles were summarized. An information service provides a central clearing house in Washington for inquiries concerning all branches of Government. Last year 100,000 inquiries were answered.

A committee member suggested, "When you have an inquiry which implies criticism, you can certainly see that it is sent where it can be properly answered and colored, if you want to."

"That is right, sir," said Mellett.

There is practically no other government clipping service in Washington today.

The O.G.R. has not supplanted the almost innumerable government press agencies, however.

"We have a wholly different job," said Mellett. "We do not give out information except on request."

The statement tells more than meets the ear. The "request" may come from a W.P.A. director who finds himself on a spot and needs material to get off. It may come from a Cabinet member who wants to grind an axe for himself or blunt one for someone else. It may come from any government official or satellite or citizen and the information sent in response can "be properly answered and colored, if you want to."

If a little shading here and there will advance the President's purposes, Mellett wants to.

At one time his organization handled the movies made by Government departments. Such movies had been made for 25 years or some such time, and the O.G.R. merely grouped them for convenience and efficiency in management. It made only five movies, of which "The

Plow that Broke the Plains" and "The River" were the most notable. Now all movies are handled through the Office of Education.

So much for Mellett's official job. It is well done.

Washington observers think his unofficial job is more important.

Censorship is not open

THAT job, they believe, is "handling" the press. That does not imply censorship, yet.

It merely means that Mellett is in position to know when persons or incidents in a certain section impinge offensively on the President's plans. His training equips him to manipulate campaigns to swing public sentiment away from those persons or events.

At presidential press conferences he sits unobtrusively in a corner. He tells no correspondent what to write. That would be silly.

America's undisciplined press would simply say "nuts."

But, when the Administration began to make love to South America, Mrs. Roosevelt and Henry Wallace began to take Spanish lessons almost in public; the plan for the mobilization of women includes Spanish lessons.

This sudden urge for the Spanish tongue is innocent enough, except as an example of a skilled technique shaping public purpose. And Mellett is adept with that technique, which, adroitly employed, can guide public opinion almost where the technician wills. Toward war, if need be.

Mellett knows that so well that most people doubt a story that shows him forgetting it.

A radio commentator, having finished his broadcast, is reported to have heard Mellett's voice on the telephone:

"Do you always have to be a so-and-so?"

The story brings denials and they are generally accepted. It is not like Mellett. And it was unnecessary.

Under a veiled threat

A RADIO station is a valuable property. Every six months its owner must renew his license and, to do so, must prove to the Communications Commission that he and his station are fit, just and right. A little delay would shoot advertising and other contracts to bits.

A form of censorship already exists in that field which newspapers do not face.

Perhaps they will never face it. Mellett has stated his own belief that a military censorship is all that will be needed:

"The Army and Navy will have control over such information as they have to disseminate."

If it happens that this is not sufficient, several newspapermen have said:

"If we have a censor I would rather have Mellett than anybody I know."

Meanwhile the President has, as one of the anonymous six, a man who is willing to suffer for his beliefs and will be unmoved by the suffering of unbelievers.

OPERATING DEPARTMENT SAYS:

"LOWER DISTRIBUTION COST!"

SALES AND ADVERTISING SAY:

"HELPS PRODUCE SALES!"

STORE PERSONNEL SAYS:

"KEEPS CUSTOMERS SOLD!"



TRUCK-TRAILERS ARE DOING A BETTER JOB FOR EVERYBODY!

AGAIN—this time in the service of National Tea Company—Truck-Trailers have proved their ability to do an all-around cost-cutting job. After a full year's experience with Fruehauf Trailers, the Operating Department reports: "The additional payload has been an important factor for us. Greater flexibility and larger loads hauled by smaller power units are producing lower distribution costs."

MANY ADVANTAGES

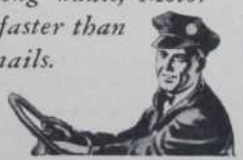
That alone is a sound reason for you to investigate Truck-Trailers for your business—but that's not the whole story! National Tea's Sales and Advertising Department says: "The eye-appeal of these rolling billboards produces sales." The Store Personnel adds: "Their appearance assures clean and well protected handling of our merchandise."

Fruehauf Trailers are saving money —30% to 60%, many owners report —for thousands of firms in more than 100 lines of business. They fit into virtually every traffic or load requirement where you may now be using straight trucks. Even greater savings may be yours if your hauling operation is adapted to the "shuttle system". With it, one truck handles three Trailers—it's constantly busy pulling one Trailer, while the second is being loaded and the third unloaded.

A call from you will bring a Fruehauf transportation engineer with full information about the possible application of Truck-Trailers to *your* business.

World's Largest Builders of Truck-Trailers
FRUEHAUF TRAILER CO., DETROIT
Sales and Service in Principal Cities
Factories: Detroit, Kansas City, Los Angeles, Toronto

Surprising as it may seem— on many long hauls, Motor Freight is faster than the U. S. mails.



FRUEHAUF TRAILERS
"Engineered Transportation"
REG. U.S. PAT. OFF.

ARE WAGE ADVANCES A PROBLEM IN YOUR BUSINESS?

DO wage advances tie up a part of your working capital? Would you welcome a practical solution to the problem of employe loans?

Loans for wage workers

Many companies have found that they can depend on family finance service to take care of their workers' emergency credit needs. The family finance company, such as Household Finance, operates under state laws written to serve and protect the borrower. These laws incorporate the recommendations of the Russell Sage Foundation—an impartial research organization which has devoted years to the study of the small borrower's needs and how best to meet them.

No wage assignment taken

Wage workers can borrow at Household Finance largely on character and earning ability. No endorser is needed. No wage assignment is taken. The loan is made in a simple, private transaction. Borrowers repay in small monthly installments. Last year Household Finance made over 800,000 such loans to workers in all branches of industry.

The table below shows some typical loan plans. The borrower may choose the schedule which best fits his own situation. Payments include all charges. Charges are made at the rate of 2½% per month (less in many territories on larger loans). Household's charges are below the maximum established by the Small Loan Laws of most states.

WHAT BORROWER GETS

	WHAT BORROWER REPAYS MONTHLY				
	2 paymts	6 paymts	12 paymts	16 paymts	20 paymts
$ 20	$ 10.38	$ 3.63	$ 1.95		
50	25.94	9.08	4.87		
100	51.88	18.15	9.75	$ 7.66	$ 6.41
150	77.82	27.23	14.62	11.49	9.62
200	103.77	36.31	19.50	15.32	12.83
250	129.71	45.39	24.37	19.15	16.04
300	155.65	54.46	29.25	22.98	19.24

Above payments include charges of 2½% per month and based on prompt payment are in effect in seven states. Due to local conditions, rates elsewhere vary slightly.

To help borrowers be better managers and wiser buyers, Household publishes a series of practical booklets on buying and budgeting. Hundreds of home economics teachers now use Household's consumer booklets as required reading in their classes.

If you employ or supervise men, we would like to send you more information about Household Finance service without obligation. Why don't you send the coupon now?

HOUSEHOLD FINANCE
Corporation
ESTABLISHED 1878

Headquarters: 919 N. Michigan Ave., Chicago
One of America's leading family finance organizations, with 294 branches in 194 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-6
919 N. Michigan Ave., Chicago, Ill.

Please tell me more about your loan service for wage earners—without obligation.

Name.....

Address.....

City.....*State*.....

Painting Home Fields Green

(Continued from page 32)

Weiser would be a fertile field for so technical and important an enterprise as the movies. But George wasn't troubled. He knew what he wanted to do and he went ahead and did it.

Sometimes these tyro tycoons tell me you don't have to go in search of opportunity. It's right there for you to trip over, so to speak.

David M. Perkins, Center Barnstead, N. H., didn't really intend to get into the peat moss business, but when opportunity practically came up and slapped him in the face he couldn't pass it by.

By-product of a trout pool

PERKINS intended to open a trout pool. In digging on the land he'd bought for the purpose, he discovered great beds of peat moss, valuable to gardeners and poultrymen. War had virtually cut off the imports in this item, making Perkins' discovery doubly valuable. Now he runs, single-handed, his peat moss mine and processing plant. There wasn't money to finance elaborate apparatus, so a barnyard conveyor had to serve to bring in the peat, an old automobile motor to run the processing machinery. But Perkins is doing all right!

There's no opportunity in a small town? You can't say that when in tiny hamlets all over the nation, people are making good! There's J. S. Drexler, of Thibodaux, La. By vocation he's an automobile dealer but by avocation and preference he makes new things grow where old things were before. Need a fire engine? A pile driver? Drexler will make you one—out of junked automobile parts.

Drexler has brought prosperity out from her hiding place around the corner, not only for himself, but for 138 residents of his own town and the two other little Louisiana communities to which his business had expanded.

Locomotives, fire engines, bug blowers made from discarded airplane propellers, cranes, pumps, grinders, trailers, wagons —all of them Drexler builds on order from salvaged car units. A narrow gauge railroad—tracks and locomotive—for a sugar plantation, for example. He once made a locomotive on rush order for a sugar refinery in just a week. When you can look on a junk yard and grasp a golden opportunity to turn it into a fine business, that's taking advantage of what the home town has to offer with a vengeance!

Once that building I saw on the hills east of Greenville, N. H., was a blacksmith shop. Now it's the one-man factory of William G. LaPierre, probably the most unusual manufacturing plant in the country. Put together with odds and ends, the place cost almost nothing. Everything's home made, from the stove to the tape moistener.

A few years ago, when LaPierre, in the course of his duties at the local mill, lost a bunch of keys, he decided that he ought to invent a clasp to hold a key ring securely on a belt. No sooner said than patented! Now the one-man factory, of which LaPierre is everything from president to office boy, is capable of turning out more than 6,000 key clasps a day.

By turning toy maker, Seaverns Hilton, poster designer of New York, saved a picturesque New England village from ruin. Incidentally, he started an excellent business for himself, too. The population of Weld, Maine, had dwindled from 4,000 to 437. Small wonder—there was nothing left to do in the town. The spool factory was closed, leaving many skilled craftsmen unemployed.

He invested his savings in a power tool, borrowed money for another. Then with not much more than a jig saw and paint brush, Weld's toy factory got under way, bringing new life to the little town.

Hilton designed the toys, wooden figures of native character and animals. So clever were their designs, so excellent the workmanship, that they caught on in a short time.

When a small-towner says his home community is without opportunity for an up-and-coming young man, it's more often than not a case of stubborn blindness. Opportunity is everywhere—in the living room, out in the woodshed, down the street a piece. But it takes eyes to see it, and ingenuity to make the most of it. There's modern magic in every little main street, if the open sesame that swings the doors of opportunity is really searched out.

Telegraphic Alarms

"WAKE UP" telegrams for New Yorkers who send messages to themselves is now a regular service of the Western Union Telegraph Company. Usual telegram reads: "Wake Up. It is now 8 o'clock." Demand for this service has been so persistent that the company decided to give it official recognition.

One employer sent for a month a daily "Wake Up" telegram with a cup of coffee to a valued member of his staff who habitually strolled into the office an hour or two late. Primarily, idea of "Wake Up" telegrams was to serve as alarm clocks for the persons who sent them.

Occasionally, a person with habit of going back to sleep files two "Wake Up" telegrams for delivery at 15-minute intervals. One young woman amazed the telegraph staff by sending seven to herself. She sleepily answered five calls, but on the sixth told the operator she was thoroughly awake, to cancel the seventh. She had been celebrating at a bachelor girl party the night before, was determined to be on time for her wedding.

"I won't need this service again," she declared. "No more getting up in time for work." "Maybe so," the operator replied, "but some users of this service are married women who have to get their husbands off to work on time."

Labor Standards Pose a Problem

REVIEWING America's experience during the World War, a special committee of the Twentieth Century Fund accents its assertion that "strikes or lockouts were never prohibited." National War Labor Board was established in April, 1918, as an adjustment agency for industries with no means of their own. Board had power to hear appeals from industries that already had adjustment boards. General principles laid down by the Administration at beginning of the war were generally observed by the boards.

Labor's right to organize was guaranteed in language similar to National Labor Relations Act now in force. Workers discharged for union membership were entitled to reinstatement with back pay.

Labor kept the *status quo*

REGARDING union recognition and the closed shop, the *status quo* was to prevail; employers who had not granted a closed shop before the war were not required to adopt it, and *vice versa*. Established labor standards were to be maintained.

A basic eight-hour day, with time and a half for overtime and double time for Sundays, was accepted by almost all the boards. Union wage scales were usually accepted as indications of the "prevailing wage."

In return for these guarantees and for equal representation of labor on the adjustment boards, the committee reports, A. F. of L. leaders agreed to submit all disputes for adjustment and not to sanction strikes until every means of settlement had been exhausted. . . . The awards of the adjustment boards, though not binding, were almost invariably accepted. In only three important cases did the Government have to exercise compulsory powers during the war. Two were directed against employers and one against a union.

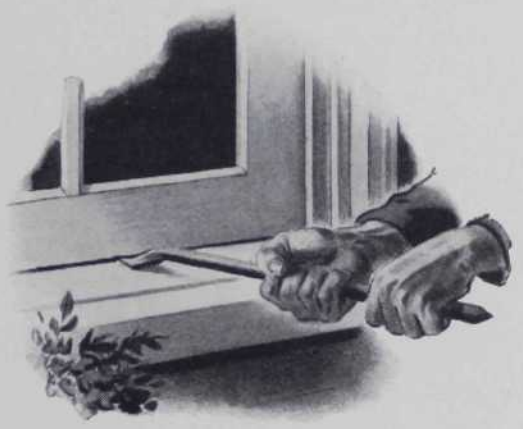
Recognizing a demand in many quarters for compulsory arbitration, the committee says few advocates understand practical difficulties of "so drastic an innovation."

Conclusion is that in no democratic country has it proven possible to prevent strikes simply by legislation.

Both peacetime and wartime experience in Canada and Australia are cited to show that strikes actually increased under compulsory arbitration laws. An increase likewise occurred when Great Britain attempted to make strikes and lockouts illegal during the World War. In the present struggle Great Britain has banned strikes in war industries by an Order-in-Council but the order was agreed to by both labor and employers. It includes no penalty provisions against strikers.

"The regular machinery of collective bargaining has proven able to adjust disputes even in a severe emergency and relatively few strikes have occurred."

While you're at the movies!



Thieves pick their own time and place. No home, however tightly locked, is immune to burglary of silverware, jewels, furs, stamp collections, household goods, and other valuables.

But no thief, however crafty, can steal the sure protection of Residence Burglary, Robbery and Theft Insurance with Standard of Detroit!

Here, at low cost, is freedom-of-mind away from home — on vacation, week-ends, shopping. Standard's policies pay promptly in event of loss from theft by burglars, tradesmen or servants.

Your efficient Standard agent or broker will show you how this Company guards home and business against loss due to burglary and robbery; forgery; embezzlement; glass breakage; injuries to self, employees and public; and similar hazards.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

Blitzkrieg Methods Conserve Oil

FROM LONDON comes a reasoned rejection of the idea that Germany is facing a shortage of petroleum acute enough to cause a collapse of war efforts. In this view, Germany is getting enough petroleum to support its armies under present conditions. Only by bombing refineries and synthetic oil plants, and by disrupting oil-transport routes, can the British hope to complicate the Axis supply problems.

Belief of many experts that Germany's admittedly meager petroleum supplies would be insufficient to wage a war have proved incorrect, the London "Petroleum Press Service" asserts, because of great difference in current war techniques and the 1914-1918 struggle. In 1918 the Central Powers were able to obtain only a little more than 2,000,000 tons of petroleum products, a quantity so inadequate that it was a major factor in compelling the armistice.

Estimates in error

TWO years ago the lowest estimates indicated that Germany's war requirements would amount to 10,000,000 to 15,000,000 tons a year. Yet Germany now is operating a great air force, a motorized army, and a greatly-expanded industrial and civilian economy with a new supply of only about 8,000,000 tons of petroleum products annually, plus stored up stocks.

Germany's oil supply obviously has increased since 1918. It seems to the London writer that "this would have been of little avail had military operations this time been only a magnified version of those 25 years ago. Had fighting, with the huge wastage of men and materials, again been almost continuous and over fronts of many hundreds of miles, it is almost certain that, in spite of all preparations, a serious oil shortage would by now have arisen."

The blitzkrieg idea of bold, rapid thrusts, in conjunction with total warfare, were calculated to be of short duration. Whatever quantities of liquid fuels such thrusts might consume, they would not cut too deeply into Germany's supplies. The Polish campaign was over in less than three weeks. The assault in the West was finished in less than two months. While they lasted, the article reports, "these operations certainly involved a quite substantial consumption of oil products; but because they were so limited in time, and because they yielded much booty, they left Germany's supply position practically unimpaired." To quote further:

"There is thus no parallel between Germany's oil position today and that of 1914-1918. Not only has the oil consumption of her fighting forces been much below expectations, but the ratio between this consumption and the internal requirements of the Reich —meanwhile grown to vast proportions—has been completely reversed. Instead of doubling or trebling the peace-time demand, war operations proper have turned out to form but a fraction of this demand; and what is more, by cutting down civilian requirements substantial quantities of oil were set free for military use.

"These striking differences between the experiences of the two wars explain why Germany has not hitherto suffered from any oil shortage."

★ ★ ★



Old Age Retirement at Zero

Eighty-eight years have passed since two immigrant boys, J. J. Bausch and Henry Lomb, came to America and founded the organization of Bausch & Lomb Optical Co., a company which is today noted around the world for its production of optical instruments. Probably not so well known is the organization's tendency to hold its employees for long periods of service which was recently emphasized at a ceremony where 35 employees and officials received gold watches in recognition of more than 50 years' continuous service.

Led by Edward Bausch and William Bausch, with 67 years and 65 years, respectively, the event was attended by 437 employees who have been in the company's employ for 25 years or more.

The illustration shows George Lauterbach, who has spent 55 years of continuous work with this organization in the assembly of precision instruments. His record and that of 437 other employees each with more than 25 years of service are evidence that American industry prizes its older workers.

★ ★ ★

"To Love and to Cherish . . ."



There's a thrill and an ache in Don's heart today . . . the indescribable feeling of pride and possession that only a bridegroom knows.

It has been there ever since he saw Ann coming down the aisle—radiant in glimmering satin and old lace—to become his wife.

May it always be there, Don—for now Ann has entrusted her life to your care. Now she is yours—"to have and to hold . . . to love and to cherish till death do you part."



When a Man Marries, What Life Insurance Program Should He Think About?

Among its many contracts designed to meet the life insurance needs of men in different circumstances, The Prudential has a policy particularly suitable for young married men.

Q: *What is this policy called?*

A: The Prudential Modified Whole Life 5 Policy.

Q: *How does it work?*

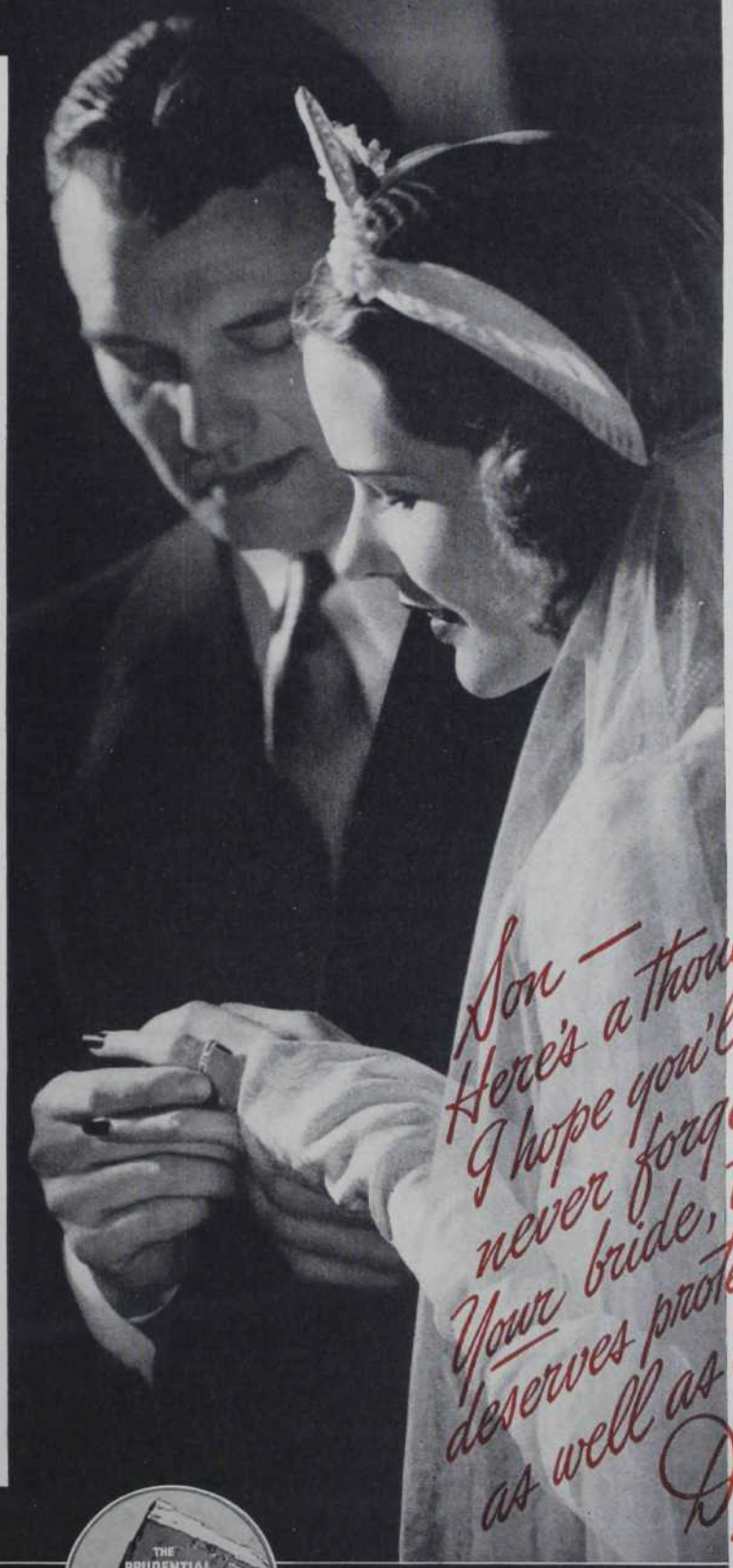
A: It is a whole life policy with this unusual feature: During the first five years, the premium is *one-half* the rate payable after five years. It gives you life insurance protection as long as you live, and is available in amounts of $5,000 and more.

Q: *Why is this policy so desirable for young married men?*

A: Setting up housekeeping takes a lot of money, and besides, a young man has rarely reached his peak earning power when he marries. That means there may not be much money for life insurance at first.

However, with The Modified Life 5's low initial premium you can get the permanent protection you need for your wife without waiting until you can afford the usual level-premium rate.

This is just one of The Prudential's many policies—each designed to fit the particular life insurance needs of different individuals and families.





The Prudential

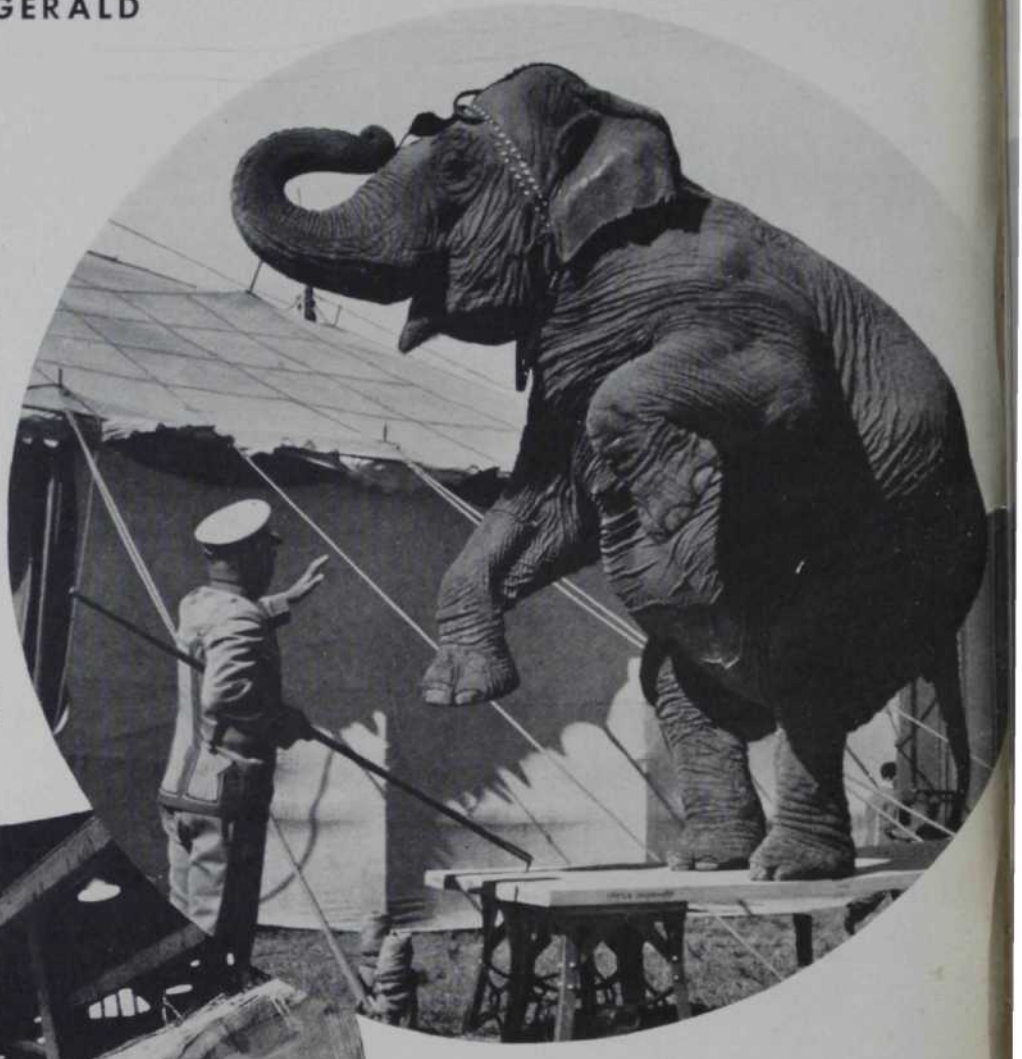
HOME OFFICE · NEWARK, NEW JERSEY

INSURANCE COMPANY OF AMERICA

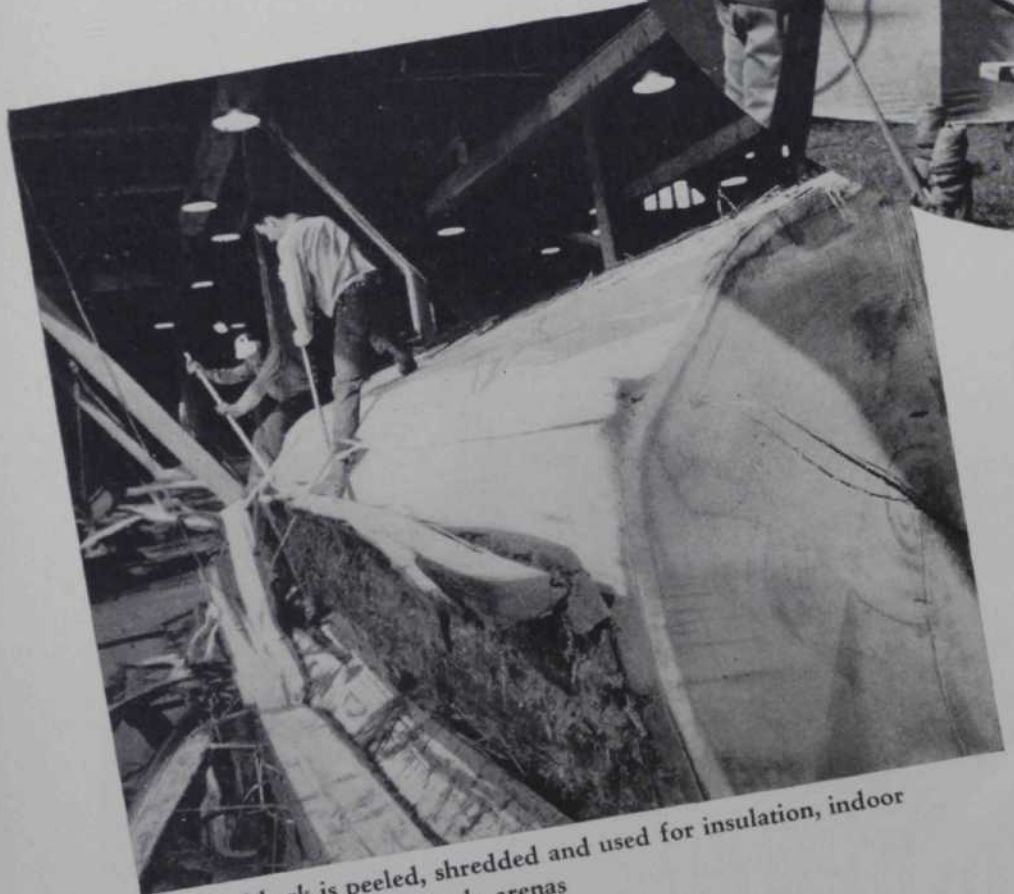
Lumbering Trims Its Waste-Line

By O. A. FITZGERALD

SCIENTISTS are working on the idea that almost anything can be made out of wood—every scrap of a tree including bark and sawdust is a potential, marketable product



A four-ton dancing elephant demonstrates the strength of plywood



Redwood bark is peeled, shredded and used for insulation, indoor tennis courts, tracks and polo arenas

SENTIMENTAL conservationists have long accused the lumber industry of excessive waste because, on the average, only a third to a half of each tree cut winds up as lumber. Unused parts amount to a woodpile estimated, for West Coast operations alone, at around 50,000,000 tons a year.

Let us examine the charge—and the waste pile—from the standpoint of the accused:

You can't cut trees into sawlogs without having stumps, limbs, and long, rough, tapering tops left over. You can't saw square-cornered boards from round, tapered logs without getting more waste. Lumber people, too, have deplored this waste.

About a decade ago, it told its critics their accusations were unjust:

> If you really want to trim that waste pile, first get scientific research busy finding profitable ways to utilize the waste. As research develops new uses for waste, you can count on the industry putting them into commercial production.

PHOTOMYSTERY

See how good a detective you are!



Try to solve this short-short mystery





1. It was after midnight when Mr. Oto, the famous detective, was wakened from a sound sleep by his telephone. It was George Franklin, advertising manager of the Esterhazy Corp. on the wire. "Come quickly, Mr. Oto" he gasped, "I need your help!"



2. At Franklin's home, Mr. Oto found him pacing the floor. "I'm in a jam," he said . . . "Our big competitor is taking business away from us. The boss blames the advertising . . . I've *got* to find the answer!"



3. Mr. Oto compared the two campaigns. "Your ads are better than theirs, and you obviously have a good product. Are they outspending you?" Franklin shook his head . . . "No, we're about even."



4. "Hmm," muttered Mr. Oto, "How about media?" "We both use newspapers," said the brow-bedewed Franklin . . . "As a matter of fact, we get a cheaper line rate than they do, in the same markets."



5. "Aha," cried Mr. Oto, "I think I've got it. Let me see your Media Records!" After a few moments of busily thumbing through the big volume, Mr. Oto cried out, "I thought so!" "Wh-wh-what . . . ?" queried our Mr. Franklin.



6. "You may be in the same *papers* as your competitor, but you're not in the same *section!* They're getting from *20% to 80% more readers per ad* than you are. That's the whole answer in a nutshell. You should . . ."

HERE'S THE ANSWER!





(*Before* you turn the page, see if you can decide what George Franklin should do to make his advertising work harder!)

"COUNT THE READERS PER DOLLAR INSTEAD OF THE LINES PER DOLLAR,"

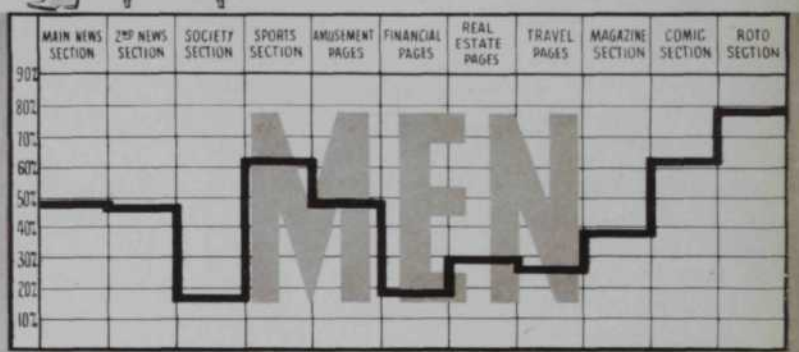
SAYS MR. OTO,

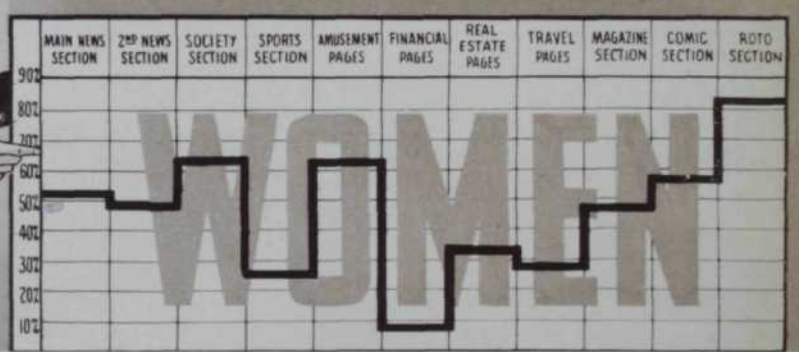


"Then you'll go ROTO, too!"

"Just look at the results of this Gallup Method Survey . . . showing the average reader traffic for each section of the Sunday newspapers surveyed!"

















● "Besides" said Mr. Oto, "You'll notice that every ad gets 'preferred position' in roto. Every page is equally filled with interesting editorial content to bring readers closer to the ads."



● "Right," said George, "And I've always liked roto printing—because of its faithful and clear reproduction. What's more . . . roto lends *quality* to the product illustrations. That means plenty."



● "And don't forget," beamed the detective, "Roto advertising has a longer life than just R. O. P. ads. All in all, Mr. Franklin, I think your mystery of the missing millions of customers is solved."

Why Not Let ROTO Solve the Problem?

Rotoplate REG. U. S. & CAN. PAT. OFF. — *THE NATIONALLY-ACCEPTED ROTOGRAVURE PAPER*

Manufactured by **KIMBERLY-CLARK CORPORATION, NEENAH, WISCONSIN**

Established 1872

NEW YORK, 122 E. 42nd STREET • CHICAGO, 8 S. MICHIGAN AVENUE • LOS ANGELES, 510 W. SIXTH STREET

Research accepted the assignment with high enthusiasm. Already it is possible to vision a time when sawdust, shavings, low-grade lumber, bark, and other waste will appear as synthetic lumber, new plastics, or as an array of by-products such as now come from coal-tar. It is equally easy to vision portable plants following logging operations to grind up the left-over parts of the tree for new industrial uses.

At its 1940 convention, the National Lumber Manufacturers Association appointed a committee to consider a research laboratory to develop new outlets and new wood products.

Right now sawdust and shavings are doing their bit in national defense. Three Northwest army camps are using hundreds of tons of "Pres-to-logs," a fuel made from sawmill waste, every month. Every day during March, 50 to 100 tons of these fuel logs went from the Potlatch Forests mill in Idaho to a camp near Seattle. Coast mills supply the other camps. This new fuel, which is clean, splinterless, easy to handle, has high heat value, and practically eliminates the danger of fire started by sparks, was developed by R. T. Bowling, engineer with Potlatch Forests. In 1930 he designed a machine which crushes the wastes into a log-like cylinder, four by 12 inches, under terrific pressure. Other lumber companies adopted this process and last year 35 machines turned out about 120,000 tons of the new pressed wood fuel. Newest development is a process by which this wood waste fuel can be made into inch-diameter pieces for use in a standard coal stoker, thus opening even bigger markets.

By-products for emergency fuel

FUEL from wood waste could assume an even greater rôle in national defense, if the situation demanded, says Dean D. S. Jeffers of the Idaho School of Forestry. Bowling's machines could take over the major part of the job of supplying domestic fuel in areas with adequate tonnages of wood waste, thereby eliminating the need of shipping oil and coal—vital for war operations—into those sections. Such an emergency probably never will come, but this illustrates what could be done if necessary.

Other national defense uses of wood products cited by the U. S. Forest Service include cellulose and nitro-cellulose for high explosives, charcoal for gas masks, glycerol for nitroglycerine, and, mixed with sawdust, for dynamite. Resin is used to fill spaces between the shrapnel. Turpentine is used in flame throwers.

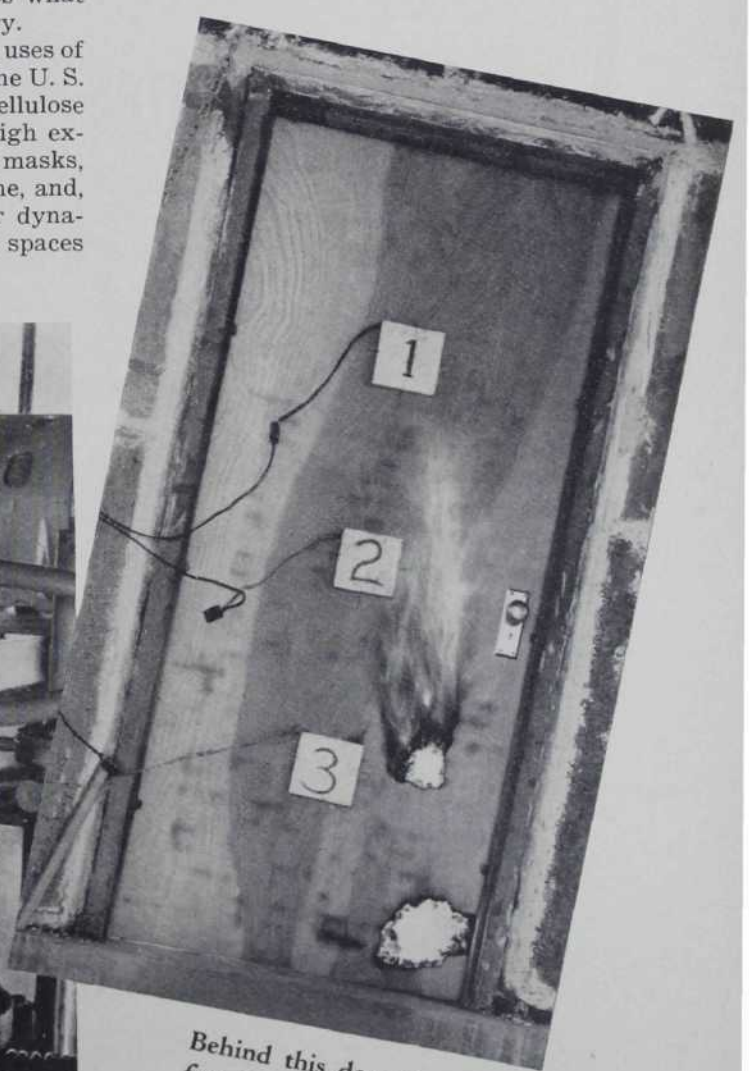
Plastics from sawdust probably will be showing up as instrument panels, switchboards, dial knobs and similar parts of fighting planes. Wood and plywood are used in training planes. One German factory is reported to be turning out three fighter planes made of compressed, laminated, resin-glued wood daily.

Plane manufacturers in this country already have demonstrated methods that give promise of all-wood fuselages and wings.

Within the past year, Bowling has developed a machine which makes several narrow boards into one wide one by applying heat and pressure to synthetic resin spread on the edges of the boards to bond them securely. These built-up boards have been soaked in water 100 hours, dried, soaked again, dried,



This machine fills holes and defects in lumber with wood plastic under pressure



Behind this door is a raging fire. Treated wood resists it



Stop trouble before it begins!

Cyclone Fence
keeps out thieves, saboteurs
and other dangerous people

BARBED WIRE *is locked into notches in extension arm by a key inserted at the end. This allows adjustment of barbed wire to compensate for expansion and contraction. Only Cyclone offers this valuable feature.*

THIS SYMBOL *represents the finest quality galvanizing money can buy. "12M" fights rust, makes your fence last longer and saves you money. Get the facts about Cyclone's "12M" galvanizing before you buy fence.*

THE best way to prevent damage to your plant—and to avoid loss of valuable blueprints, tools and dies—is to discourage trouble-makers with good, high Cyclone Fence. It's on the job—day and night. And when every person entering or leaving your plant must pass through guarded gates, your risk is definitely reduced.

Before you buy any fence, it will pay you to consider the features that make U-S-S Cyclone Fence so durable. The copper-steel mesh is galvanized after weaving, leaving no cracks in the protective coating for rust to get started. Sturdy H-column posts are set in good-sized concrete bases that frost won't budge. Expansion joints in top rails allow for expansion and contraction due to temperature changes. All this means longer fence life, less upkeep, more protection for the money.

Our factory-trained men can build your fence quickly—and right. There are a number of types of Cyclone Fence to choose from—a right style for every plant, every pocketbook. Get the facts about Cyclone. Ask for a recommendation and free estimate.

CYCLONE FENCE DIVISION
(AMERICAN STEEL & WIRE COMPANY)
Waukegan, Ill.
Branches in Principal Cities
United States Steel Export Company, New York

32-Page Book on Fence



Send for our free 32-page book that tells all about fence. Crammed full of facts, specifications and illustrations. Shows 14 types—for home, school, playground, and business. Whether you need a few feet of fence or 10 miles of it, you need this valuable book. Buy no fence until you see what Cyclone has to offer.

CYCLONE FENCE
Waukegan, Ill. DEPT. 561
Please mail me, without obligation, a copy of "Your Fence—How to Choose It—How to Use It."

Name.....
Address.....
City..... State.....
I am interested in fencing: ☐ Industrial; ☐ Estate; ☐ Playground; ☐ Residence; ☐ School.
Approximately .....feet

USS CYCLONE FENCE
UNITED STATES STEEL

soaked again, dried and put under pressure to test their strength. Every time they split in the grain of the wood rather than in the seam.

For national defense reasons, there has long been a feeling that the West should have more steel plants. Lack of coke has been the stumbling block. Charcoal, often tried, was never satisfactory in blast furnaces. Last year, Dr. Stevan Ruzicka, who came to America from Yugoslavia in 1935, told the National Farm Chemurgic Conference about a new process which may overcome this obstacle.

Dr. Ruzicka burns wood waste into charcoal, which is then ground into a powder. An organic binder is applied to the powder and, upon heating, it is cemented back into lumps. This product has performed satisfactorily in blast furnaces.

Wasted bark becomes useful

IN CALIFORNIA vast quantities of Redwood bark were once peeled and burned in the woods because the tough and fibrous bark had to be removed before the log was sawed into lumber. Now one company shreds this bark and uses it as a filler for roofing papers and for insulation, an outlet which takes ten to 20 per cent of the total bark available each year. Redwood bark has been tested as floor covering in poultry scratching pens, indoor tennis courts, tracks, and polo arenas.

"Every time the bark can be utilized profitably, it helps the practice of forestry and the conservation of the trees themselves," observes Prof. Emanuel Fritz of the University of California, whose energies are devoted to the cause of Redwood research and better forestry.

Throughout the nation, probably 30,000 to 40,000 tons of wood flour are made from sawdust and shavings annually—half being used as filler for linoleum, a quarter in explosives, and a quarter in plastics. Two Pacific Northwest companies make insulation and soundproofing boards from wood waste. One of these concerns provides an example of double waste utilization. Sawmill waste is shredded and treated with waste chemicals recovered from gases from a nearby smelter which once contaminated the air for miles around. The product is a mineralized fiber board, similar to the so-called artificial stone made in Europe, excellent for insulation and sound-proofing.

Seeking a use for brush

"IF SOME practical uses could be found for the debris and brush left on an area after logging, one of the greatest problems confronting foresters would be solved," comments Dr. Ernest E. Hubert, Research Technologist with the Western Pine Association. "It would remove a tremendous fire hazard and eliminate the cost of brush piling and burning. The needles of conifers yield some excellent oils used for perfume and there are many chemical ingredients in logging slash which may prove of future value to mankind. The newly developed process of

manufacturing camphor from turpentine obtained from pine stumps and logging refuse is another example of our release from dependence upon costly exotic products."

Down South, 51 pulp mills last year produced more than 2,500,000 tons of pulp or about 40 per cent of the nation's production against 100,000 tons 20 years ago.

Research there is also trying to convert tops and waste from pine logging operations into pulp. Out at the University of Washington, scientists have developed a new process by which a strong paper can be made from Douglas fir waste, hitherto not considered suitable for the pulp industry.

Despite this progress, the wood waste pile remains an enormous challenge. It has been estimated that, of all our remaining timber, probably 75 per cent properly may be regarded as potential raw material for the research men.

"To my mind, the broad field of synthetic boards holds great possibilities," says Dr. E. C. Jahn, professor of wood chemistry at the New York College of Forestry. "The idea that wood waste can be torn apart and recast into any desired shape and serve as a substitute for wood itself is the incentive behind the growing nation-wide interest in wood waste utilization research."

Scraps made into new lumber

IN THE wood utilization laboratory at the University of Idaho, where Dr. Jahn worked with wastes from western forests for eight years before going to New York, he showed me pieces of "laboratory lumber" made by converting wood waste into a putty-like paste, molding it, and curing the pieces under heat and pressure.

These cured pieces are twice as strong as the original wood, resist water, can withstand much banging around, yet can be sawed and worked like ordinary wood. Various color effects were obtained by adding chemicals to the paste.

It has been found that different pressures determine the kind of synthetic board produced. When the squeeze is highest and the temperature hottest, a darker-colored board resembling mahogany comes out. Lessening the pressure results in a board with a lighter color, like oak.

In western experimental laboratories, wood from little-used species has been made into synthetic boards which appear suitable for the exacting uses now filled by some of the more expensive hardwoods.

Many of these developments are yet in the experimental stage, but they have progressed far enough that lumber companies are beginning to explore their commercial possibilities.

The field of synthetic boards provides a conspicuous example of the industry's alertness for opportunities to trim its waste-line. Back in 1924, the waste burner at the Wausau Southern Lumber Company at Laurel, Miss., was devouring hundreds of tons of waste every day. W. H. Mason, for 17 years associated with Thomas Edison in research, developed a process by which the chips are



250 Cool Drinks for less than 1* cent!

Only FRIGIDAIRE Water Coolers Give You Amazing Meter-Miser Economy!

Just think! 250 cool drinks* (approximately 8 gallons) for less than 1 cent in smallest size Frigidaire coolers. Many more drinks in larger models! You get all this because of the famous Frigidaire Meter-Miser . . . a rotary mechanism that eliminates pistons, connecting rods, many other parts causing friction and wear. And it's protected for 5 years against service expense! In addition, the new Frigidaire coolers offer:

Handsome Appearance, Compact Size. 5 models only 14¾" square. Stainless steel top.

Effortless Drinking—"Magic Action" bubbler on pressure coolers requires only a touch of finger. Foot pedal optional at slight extra cost.

Finger-Tip Temperature Control—Select the water temperature you prefer.

Model for Every Need—A complete line of bottle, pressure, and tank-type models.

Surprisingly low-cost—can be purchased and operated for only a few cents a day.

Don't wait! Call in nearest Frigidaire dealer or send for complete Frigidaire Water Cooler Catalog today.





CAUTION! It isn't a genuine Frigidaire unless it bears the "Frigidaire" nameplate. Frigidaire products include: Water Coolers—Air Conditioners—Beverage Coolers—Refrigeration Equipment.

*Costs less than 1c to cool 250 4 oz. drinks from 80° to 50° in 80° room, using bottle type cooler and 3c KWH rate. Larger Frigidaire coolers cost even less.

Call in the Expert

Call in Frigidaire

Frigidaire Commercial Division (N. B.-6)
General Motors Sales Corp., Dayton, Ohio
Please send me free Frigidaire Water Cooler Catalog.

Name and Company .....

Street Address .....

City and State .....



Send for this Catalog!

"me work overtime?



...not since the boss found out he could get America's finest portable adding machine for only $47.50."



Professional figure service for professional men

HANDY as your telephone . . . streamlined triumphs of engineering efficiency, Victor portable adding machines incorporate 23 years of improvement leadership.

There's a model for every figure requirement at prices to fit every budget. Victor "straight" portable adders, in 10-key or full keyboard, at only $47.50; standard electrics, starting at $114.50; and Victor's latest, a full-duty portable that adds *and subtracts*, at $79.50!



Profit protection for progressive retail merchants

For large corporations, the corner store, or in your home, Victor adding machines provide accurate answers to your figure problems at lowest cost. Phone your Victor representative today for a demonstration or write *Dept N-6, Victor Adding Machine Co., 3900 N. Rockwell St., Chicago.*



On-the-spot checker for busy production plants



It adds and subtracts. Victor's newest portable, only $79.50

VICTOR
ADDING MACHINES

"exploded" under steam pressure into thousands of minute fibers which can be pressed into boards which show no tendency to warp, chip, split, splinter, or crack.

This line of products, known as Masonite, is finding its way into a wide range of uses. Near the site of the trash burner that started Mason on the research trail stands a huge plant now turning out 300,000,000 square feet of these products from waste every year.

Science is doing other interesting things in behalf of wood utilization. Most veneer manufacturers use plugs or wood flour in putty form to fill holes resulting from cutting out knots and other defects. Thus the lumber industry improves on nature. When it becomes profitable, as it will some day, knotty lumber likewise can be raised in grade in a similar manner. Professor Fritz tells me machines to do this already have been invented and tested.

Chemistry adds new uses

RESEARCH has also learned to remove pitch from common lumber. At the Madison laboratory, remarkable progress has been made in waterproofing and fireproofing wood by forcing chemicals into it under high pressure.

In wood preservation, new developments are coming with amazing rapidity.

A Washington company has put into commercial operation a new process, Permatol, developed by Dr. E. E. Hubert, research technologist with the Western Pine Association, which makes window frames, general millwork, and exposed wood products more resistant—at low cost—to moisture and decay. University of California research chemists have developed a wood preservative, Chemonite, which protects wood used as sills, posts, piles and similar purposes against termites and fungi.

Local timbers may gain

DR. HUBERT reports that the use of Permatol without pressure in treating ties, mine timbers, highway timbers, telephone and power poles cut from little-used species, such as lodgepole pine, opens up local markets for these materials which previously could not gain a foothold against the competition of pressure-treated wood shipped in from outside.

Although most progress to date has come in the field the industry calls mechanical utilization, from now on the chap to watch is the industrial chemist. He is looking at our forests as complex organic structures of cellulose, lignin, carbohydrates, and resins.

A tree is about half cellulose, the most abundant and widely distributed organic product in nature, and progress has been made in turning this cellulose to profit.

About a quarter of the weight of wood is lignin which has been called "the greatest economic waste in the world." The one who hates the most to have to waste it is the man who produces it—the lumberman.

Although uses for lignin are limited at present, many chemists believe that it holds as great a promise as coal tar. Lignin plastics are already appearing. Its eventual use as panels and instrument boards for automobiles, even fenders and larger parts of car bodies, and airplane wings is freely predicted. An automobile manufacturer is testing out



Two wood fibre products that are attracting attention of home builders. Insulating blanket placed between studs and insulating board which also serves as plaster base

lignin plastics as a solid dust-proof lining for an automobile trunk.

Chief point of interest about lignin plastics is their cheapness. At the Madison laboratory, plastics have been made from a variety of trees: maple, oak, hickory, gum, and aspen. Several patents already have been obtained. At the University of Idaho interesting new plastics have been made from the lignin from western softwoods. The Madison laboratory also reports extraction from lignin of several new chemicals which promise to be worth testing as insecticides.

The chemist is giving close attention to the so-called despised species of trees. In every forest area some trees are many times more valuable than others; hence they are cut first.

Before 1929, for example, larch was so shunned in the Pacific Northwest that courts ruled a contractor liable for damages if he substituted it on a job without the owner's approval.

Although larch still continues a less valuable tree, its status has improved. Chemists have found a new way to make high-grade paper pulp from larch. Some day it may become an important source of cellulose for the manufacture of synthetic fibers.

At the Idaho School of Forestry, Dr. E. V. White has found that 12 to 18 per cent of the weight of larch is *arabogalactan*, a gum which can be dissolved in water. It is similar in many properties to pectin (used in jelling fruits) and to gum arabic and gum tragacanth, used extensively as emulsifying agents. All our gum arabic and gum tragacanth is now imported.

A lumber company is considering a pilot plant to explore the commercial possibilities of *arabogalactan*.

Because the chemical composition of woody tissues is relatively the same in all trees, the so-called inferior trees of today may become the superior trees of tomorrow.

New fuels from waste

WOOD wastes for motive power—utilizing the combustible gases to run engines—has long appealed to scientists. In Germany, France, Italy, Sweden, Japan, and Russia, automobiles and trucks have been powered this way for years. Twenty-five pounds of wood roughly equals a gallon of gasoline. California Redwood people are flirting with the possibility of using some of their waste this way, particularly in remote mountain areas where the gasoline haul is excessive. A sawmill in British Columbia is powered entirely by gas generated from its own waste.

All these scientific triumphs are but the beginning of a new era in scientific utilization of trees and greater competitive range for wood in all its forms. Apparently the industrial chemist will never be happy until all of the tree has been profitably utilized.

Man never has had any difficulty drawing full spiritual and recreational value from his trees. The abundant research activity suggests a day when he will do just as efficient a job utilizing them industrially.

to NEW YORK

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Each mile's a *restful* mile over the picturesque Scenic Route, for the Erie roadbed's one of America's best. And safe, smooth train operation is the first rule of Erie engineers—veterans who average 25 years of service.

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They bring to that job a steadily increasing skill in management, a standard of business judgment that entitles them to recognition as one of the finest groups of merchants in America. They are just that, with mighty few exceptions.

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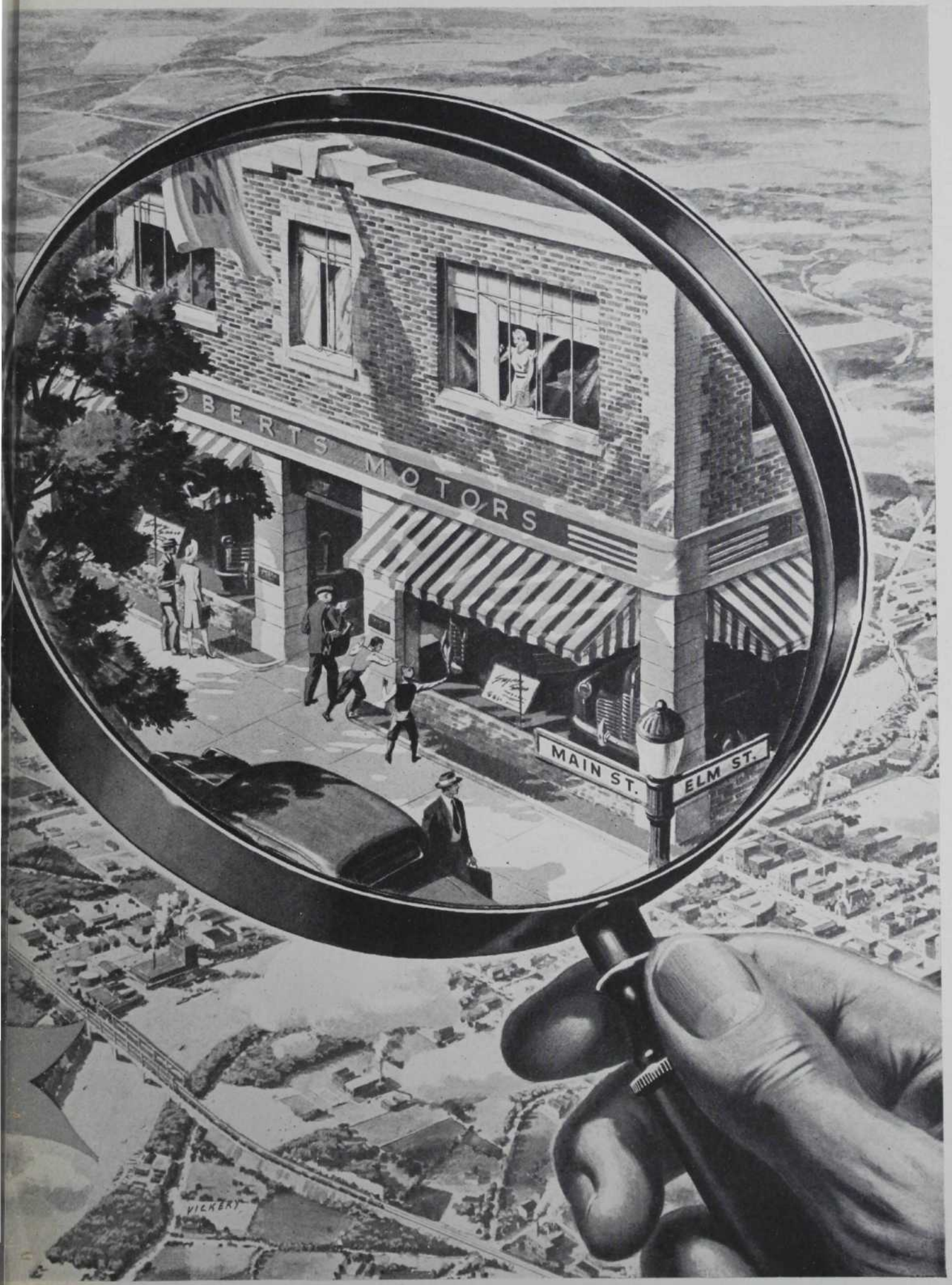
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The Money Markets

By Clifford B. Reeves

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Buy Bonds For Defense

ON May 1, the federal Government started what will finally develop into a great nation-wide drive to tap the savings and income of the "man on the street" through the sale of savings stamps and bonds to help finance the defense program. On that date, the sale of these new investments began at 16,000 post offices, and at commercial banks, savings banks and federal savings and loan associations.

For the time being at least, no great sales pressure will be applied. There will be no "four-minute men" speaking in theaters and churches, as there were during the Liberty Loan drives of the last war. The Treasury hopes that the attractiveness of the bonds as an investment, as well as the average man's patriotism will bring a satisfactory sales volume. But plans to apply pressure and wave the flag have undoubtedly been formulated and will be used if necessary.

The program has been set up so that every man, woman and child can afford to participate. Savings stamps are offered in denominations from ten cents to $5. When an individual has bought enough of these he can exchange them for Defense bonds.

These Defense bonds comprise three different series, known as Series E, F and G. Most popular from the standpoint of the average individual will be the Series E bonds, which are almost identical in terms with the U. S. Savings Bonds that have been offered since 1935, and of which about $5,000,000,000 are now outstanding. Series E bonds are offered in denominations as low as $18.75. A bond bought at that price can be redeemed ten years later at maturity for $25. This is equivalent to a 2.9 percent return annually. Such bonds are as good as cash in the bank, as they can be redeemed at any time at definitely specified prices. This guaranteed redemption value means that the holder assumes no risk of market loss. Liberty Bonds, it will be recalled, fell to the low 80's after the last war, and millions of investors took substantial losses.

The Series E bonds are available in denominations up to $1,000, and may be bought by individuals only. Purchases in any one year are limited to a total of $5,000.

The Series F and Series G bonds are designed to attract bigger buyers. They may be bought by corporations, partnerships, trustees and associations as well as by individuals. For the Series F Bonds, the purchaser pays $74 for a bond that can be redeemed 12 years later at maturity for $100. This is equivalent to an annual return of 2.53 percent.

The Treasury will redeem the bond at any time in the course of its life at specified prices.

The Series G bond, unlike the other types, is not a discount bond. It pays interest semi-annually at the rate of 2½ percent.

This series is expected to prove popular with investors who want or need regular income from their investments.

At the outset, it is expected that the Defense bond program may cause some drain on other forms of saving and investment. The yields of these new bonds are substantially greater than the rate of interest paid on time deposits or savings bank deposits, and also compare favorably with the yields currently available on highest grade corporate securities. So, many investors may draw down their bank balances or sell other securities to subscribe to the new government offerings.

When this transfer of existing savings is completed, however, future sales of the bonds will have to come largely out of current income. And with much higher taxes in prospect, it seems doubtful if the surplus income available for such investment will measure up to the total enjoyed during the last war.

The Defense bond program adds a further protection against inflation, because, by increasing the amount of saving, it will tend to reduce the portion of the national income spent for consumer goods.

The reduction in consumer spending will help to offset the big increase in defense spending. This tends to prevent too great a boom during the defense emergency.

It is also entirely possible that the Defense bond program may lead to a revival of interest in investment by the general public. The Liberty Loan drives during the World War made millions of people of that generation "security conscious." After the war, they continued to invest in corporation securities.

New Compensation For Brokers?

MEMBERS of the New York Stock Exchange seem about convinced that their business cannot be put on a sound footing again until the entire basis for compensation to brokers is revised. The commission rates now in effect presume the existence of speculative trading in an auction market. That is, they are based upon the assumption that there will be a steady flow of buying and selling orders, with brokers merely providing the machinery for executions.

That kind of a market no longer exists and probably never will exist again.

High taxes, new laws and regulations have virtually killed off speculative buying. The market today is strictly an investment affair. Buyers and sellers don't just appear. They must be found. And the average investor must be *convinced* that he should buy or sell. In other words, he must be sold.

Investment dealers, offering unlisted securities in which they have a reasonable profit, have no trouble finding buyers, and have been doing a satisfactory business. But Exchange brokers, working for only a fractional commission, cannot afford to do the sales work necessary to find and interest buyers and sellers in listed securities.

Yet unlisted dealers, if allowed a reasonable profit, can take big blocks of those same listed securities and, through diligent sales methods, find plenty of buyers for them.

Life insurance provides a good analogy. Most people don't ask for life insurance. It is sold to them. Salesmen are paid a commission large enough

WINGS FROM AN *oil well*



You are looking at a new idea in airplanes—"the plane of the future" may be its direct descendant. It is *molded* out of a tough, non-corrosive, fire-resistant plastic, combined with plywood.

To make plastics workable, scientists at Shell's research laboratories produced *acetone* from a petroleum gas. Combined with acetone, a plastic becomes as workable as biscuit dough.

Oil "sprouts wings," or becomes glycerine or synthetic rubber, or enters the making of artificial silk or cosmetics . . . because Shell research scientists have performed amazing chemical feats with the molecules in petroleum.

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Before Shell industrial lubricants are offered to you, they are plant-tested—proved—under all kinds of actual operating conditions. And with the use of Shell lubricants, you are assured of the continued watchfulness of Shell men—a service that needs no prompting.

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Are you quite sure that your plant has the benefit of all that is new in lubrication, as it develops? You will find a Shell man's recommendations entirely practical—and made without obligation.

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to enable them to find buyers and convince them.

If, instead, all life insurance companies announced tomorrow that henceforth their policies could be bought only upon application to an institution called The National Life Insurance Market, of which all insurance brokers and agents were members; and if commissions on sale of policies were reduced to correspond to Stock Exchange commissions, the volume of insurance sales would probably fall off 75 percent or more.

A small percentage increase in the rates of brokerage commissions is not likely to provide a satisfactory answer to the Stock Exchange's problems.

What brokers need is the equivalent of a "dealer's profit" in issues whose market is too inactive to be conducted by auction methods. One plan that has been proposed would make it possible to achieve this by dividing the listed market into brokerage and dealer categories as the occasion demanded.

At present when the market in a listed stock is 30 bid, offered at 35, no sale is likely.

The seller might be willing to accept 33 but, even if he offers it at that price, the only bid is still well below that figure.

It has now been proposed that, in a situation of that sort, if the seller would take 33 net, a notice be printed on the stock ticker saying that 500 shares of XYZ Corporation common are offered at 35, "less two points for dealers."

This, in effect, is the same thing that the seller does if he arranges for distribution of his stock "off the board" because of inability of the listed market to absorb it at a satisfactory price. Instead of giving a discount to unlisted dealers, he would give the same discount to stock exchange brokers.

With that sort of a profit in the transaction, all brokers would be able to go to work to find buyers. Assuming that they succeeded, the seller would receive a price three points higher than the original bid, and compensation on the transaction would go to Exchange brokers rather than to unlisted dealers.

Bonds for Profit Stocks for Yield

PEOPLE used to buy bonds for income, and stocks for profit. Now the reverse is true. They have been buying stocks for yield, and recently have been seeking profits in bonds.

The increase in corporation taxes has caused this. Stocks seem to offer little profit possibility because taxes seem destined to limit or even reduce the earnings available for shareholders.

So stocks lag in the market at record high yields.

The earnings position of bonds, however, is not affected by corporation tax increases, because charges for interest are allowable before taxes are computed.

Hence, with the recent improvement in business, many low-grade bonds that were not earning, or barely earning, their interest, are now in a comfortable position, even though the stocks of the same companies have shown no appreciable gain in earnings after taxes.

This situation has led to a veritable boom in lower-grade bonds in recent weeks, particularly in rail issues which have enjoyed a substantial market advance.

If the defense boom continues, and the operating earnings of corporations show further increases, such gains as might ordinarily flow to common stock earnings can be easily nullified by further increases in corporation taxes.

But the increasing cushion of earnings for bonds cannot be destroyed, no matter how high corporation taxes are raised.

Changes Coming In Securities Acts

THE securities business has always been one of the largest "industries" in New York. It accounted for the employment of tens of thousands, and supported hundreds of millions in downtown real estate values. In addition, it is a valuable source of tax revenue to New York State.

You might think that such an important business would be worth preserving, and that New York's elected representatives would be quick to protect it from any unnecessary strangulation. Reputable people have been insisting for the past several years that the Securities Laws were unduly restrictive, and that they were crippling, not only the securities business in New York, but general business throughout the country. Yet New York's legislators did nothing about it.

Any defense of the financial business—no matter how thoroughly justified—seemed to be regarded as political suicide.

The financial community, which had nearly abandoned hope of help from New York legislators, was therefore taken completely by surprise when Representative James W. Wadsworth of New York recently introduced a bill in Congress, proposing extensive revisions of the Securities Acts and other laws administered by the S.E.C. To avoid any accusation that he was

"representing Wall Street," Mr. Wadsworth had wisely prepared his bill without consulting financial leaders. Instead, he had conducted a nation-wide survey among business men and based his bill upon their complaints, rather than upon those of people in the securities business.

In announcing his bill, Mr. Wadsworth stated that his inquiries had convinced him that new and expanding private business—especially small business—has been greatly retarded over the past five or six years by certain unsound features of the Securities Laws.

The purpose of his bill, he said, was "to put both dollars and men to work."

He scored the S.E.C. roundly for its assumption of undelegated powers and the establishment of a "reign of terror" over honest business men. He also attacked the S.E.C.'s release of publicity on unproved charges. This is the well known "publicity smear" technique that has been criticized repeatedly in this column in the past two years.

Apparently feeling that the S.E.C. has concentrated too exclusively on its functions of policing and reform, without regard to the maintenance of orderly markets, Mr. Wadsworth also proposed an amendment to the preambles of the Securities & Exchange Act, providing that it is the duty of the Commission "to encourage and foster orderly, active, stable and liquid securities markets for the protection of investors, as well as to police these markets to prevent fraud and other abuses."

Among the other changes, Mr. Wadsworth proposes: A simpler form of security prospectus; the use of simple, descriptive newspaper advertisements on security issues, subject to suitable safeguards against false statements; simplification of registration procedure, and reduction of the present excessive costs of registering; further shortening of the registration period, so that issues may be placed on the market more promptly; fair hearings for those adversely affected before new regulations are adopted; prohibition of the publication of charges of wrongdoing or violation of the law until such charges are proven; and a method of redress for any persons injured or aggrieved by actions of the Commission or its staff, with the right to appeal to the courts.

The new Wadsworth bill was also a surprise to the S.E.C., which had been holding joint meetings with representatives of the stock exchanges and investment banking organizations to work out proposals for amendment of the Securities Acts to be submitted to Congress. Chairman Eicher of the



"I'll be back in an hour for a small buttermilk!"

THERE are lots of things you can do to attract crowds to your place of business. But one of the most successful . . . and most widely used . . . is to offer the public an attractive, well-designed, cheerful interior. People naturally prefer to patronize a place where the surroundings are inviting and smart. And this is equally true, whether your establishment is a bar, a store, a theatre, a restaurant or a hotel. Just brighten it up with mirrors, plate glass, glass blocks, Carrara . . . give it the glamor of glass . . . and you'll find it will draw more customers and earn bigger profits for you.

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That's Heat-Fag. It has long taken a terrific, almost unsuspected toll of American industry . . . yet the remedy is simple and inexpensive. Morton's salt tablets, in convenient dispensers at all drinking fountains, make it easy for workers to replace the salt lost by sweating.

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Morton's modern dispensers deliver salt tablets, one at a time, quickly, cleanly, and without crushing or waste. Sanitary, easily filled — durable and dependable.

Morton's salt tablets contain the most highly refined salt, pressed into convenient tablet form, easy to take with a drink of water. They dissolve in less than 40 sec. after swallowing. Order direct from this ad, or from your distributor.



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500 Tablet size - - - - - $3.25
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TABLETS—Case of 9000
Salt Tablets - - - - $2.60
10 grain
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FREE . . . write on your firm letterhead for a pocket size sample tube of MORTON'S SALT TABLETS, and new folder, "Heat-Fag and Salt Tablets."

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S.E.C. said that the Wadsworth proposals would be carefully studied and considered.

Competitive Bidding Effects

THE S.E.C. rule that all new issues of registered public utility holding companies and their subsidiaries must be arranged through competitive bidding became effective on May 7.

Although most investment bankers opposed the rule, the Commission's final decision was no surprise to them. The straw that broke the camel's back was the later announcement by Jesse Jones that the R.F.C. would bid for utility issues itself if it felt that the bids submitted by private bankers were unsatisfactory, or if no other bids were forthcoming.

Some bankers felt that the R.F.C. would act only in special cases to insure the successful working of the competitive bidding system. But many investment men felt that it would put the Government, through the R.F.C., in a position to dictate prices so that bankers, even after open bidding, couldn't win awards on such issues unless they met the R.F.C.'s ideas of price. It was recalled that the R.F.C. recently offered defense loans at rates much lower than those being offered by commercial banks, thus placing an effective limit on the interest rates that could be charged, regardless of the risks of the particular loan involved.

The S.E.C. and the R.F.C. seem determined to make sure that any utility corporation that offers securities shall get the highest possible price. This raises the question as to whether these government agencies are trying to protect issuing corporations, or trying to protect investors from buying securities that are overpriced. The S.E.C.'s stated function is to protect the interests of investors; but under the competitive bidding rule, it seems to have set itself up as the guardian of the issuer.

The effect of competitive bidding on the practice of placing security issues privately will be closely watched. The S.E.C. argued that the new rule would reduce the volume of private sales, but many bankers feel that the reverse will be true.

They point out that, although all issues will now have to be registered, groups of insurance companies are free to enter bids for new issues in competition with investment banking groups.

Since the insurance companies will be buying for their own investment, rather than resale at a profit, they can afford to bid more than a banking syndicate can. This may result in funneling an even larger percentage of the best issues into the big financial institutions, rather than making them available to the general investment public, as intended.

It is also believed that some underwriters, in submitting competitive bids, may act merely as agents for large institutional investors, and then turn entire issues over to such investors in return for a small agent's fee.

Under the new system of competitive bidding, issuing corporations will have no control over the distribution of their securities. Many companies prefer to have their securities distributed widely among small investors, rather than sold in large blocks to a few institutions. In negotiating issues with banking groups, such companies usually made allowance, in arriving at the bankers' profit, for the added costs of widespread distribution. Under competitive bidding, issuing companies will have to accept the best bid and take any kind of distribution that the winning syndicate gives them. With small profit margins, the disposition of the winning bankers will be to distribute the issue in the cheapest way possible—in large blocks to big investing institutions.

The enforcement of competitive bidding may lead to a great many changes in the organization and methods of the investment banking business.

Many bankers feel that the position of the small investment dealer will be injured because, if smaller profit margins are the rule—as expected—many big underwriting houses that were primarily wholesalers may establish retail sales departments to keep for themselves the profit that they used to give to small dealers who distributed at retail.

It has always been customary for investment bankers to work closely with an issuing company in planning a new issue and in preparing the registration statement; and big underwriting houses have always maintained staffs for that purpose. Under competitive bidding procedure, however, most of that work will probably fall on the issuing company, as a corporation cannot fairly ask a banking house to undertake such work when there is no assurance that the house will finally offer the securities. Therefore, there may be substantial cutdowns in the so-called "buying departments" of the big underwriting firms.

Some individuals engaged in that type of work are talking of leaving the investment banking business and setting themselves up as consultants to corporations to plan, set up and register their issues in return for professional fees.



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Summer cooling is producing sensational results for a wide range of business establishments. Reports show sales increases from 7½% to 33%. The public responds to this added sales appeal! Cooling keeps merchandise in better shape, employees more alert and efficient, customers happy.

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HIGHBALL to National Defense in the Northwest is the fifteen million dollars worth of locomotives and cars delivered to the Northern Pacific Railway in 1940 and to be delivered in 1941.



4,500 NEW FREIGHT CARS, equal to a train 38 miles long, will be part of N. P.'s contribution to keeping vital Northwest industry and agriculture on the move . . .



HARVEST TIME will see the addition of 14 new giant steam locomotives to help in moving defense materials and the 1941 crop. It's progress—typical of "The Main Street of the Northwest!"

TRAVEL AND SHIP VIA NORTHERN PACIFIC YELLOWSTONE PARK LINE

Defense Oaks Grow from Little Acorns

(Continued from page 22)

The union with which they have dealt for a generation is not too eager to expand the labor supply in its highly skilled craft. Yet the management has always been, and still is, friendly with the union. One of its longest-service employees, who started in the foundry as an apprentice 32 years ago, is Alphonse Stein. In addition to being shop steward, "Steinie" is President of the Joint Conference Board for the New York Area of his union, the International Molders and Foundry Workers of North America.

For the Taylor Company, getting sufficient materials causes some headaches, but not too terrific ones. Their foundry makes castings from one ounce to eight tons. When pig iron runs short, it is nearly always possible to go out and find old railroad tracks, junk machinery and discarded trolley car wheels.

At the other side of town, and almost under the shadow of merry-go-rounds and scenic railways, is the Coney Island Electroplating Works. Its general manager is a 23-year-old Russian girl, Ann Kavun, who won a bathing beauty contest at Bensonhurst a few years ago. Today, in addition to supervising a small force of skilled workmen, she is her firm's sole salesman and has been mighty successful in getting subcontracting work from airplane equipment companies and shipyards. A year ago, her shop's principal business was plating bathroom faucets and baby carriage handles. Now it is plating vital parts of aviation instruments and marine hardware.

The Pioneer Bugle Company, making Marine Corps bugles, is a small firm that manages to get along despite a lot of vicissitudes. For three years the three partners, 32-year-old Peter Cicerani, 33-year-old Julius Mauri, and 52-year-old Frank Montufusco, had been manufacturing bugles for Boy Scouts, Girl Scouts, Army and Navy Stores and some 200 other customers. Then along came the Marines with an order for 2,000 bugles. They congratulated themselves and finished half of the order.

Fire wrecks production plans

THEN fire broke out. It burned through a good part of their floor in a Williamsburgh loft building, destroyed at least 300 bugles and damaged some machinery. One of the partners had to rush to Philadelphia for an extension of the contract. When the Marines gave them about a month to make the remaining 1,000 bugles, the partners and their six employees moved into another loft building on Driggs Avenue. There they are toiling away, trying to find space for the bugles they turn out, worrying about the stability of some overhead shafting that keeps coming loose, wondering whether they will be able to get replacement parts for their lathes and polishers, and dreaming of expansion. They may increase their one-man assembly department to two. They have a lot of big problems on a small scale, but, as one of the partners puts it, it's better than driving a hack.

Contrast these little plants with one of the largest in Brooklyn, the American Machine and Foundry Company. It is not big in comparison with even the smallest steel mills or automobile factories, since it had hardly 800 employees two years ago. In its own block-long five-story building in South Brooklyn



NESMITH

Few people ever heard of the company but the marines will hear of the product. The original order was for 2,000 of these

where it used to make machinery to manufacture consumer goods, the company is now making such things as firing apparatus for battleships, parts for sound detectors, searchlights, steering mechanisms, presses, and tools, jigs, and fixtures for aircraft equipment.

Running the plant, as he did through the last war and ever since, is George E. Wentz, executive vice president. A trim, precise man, he works from a small office that doesn't even have his name on the door.

Today, American Machine and Foundry Company employs 1,600 workers. They are a precious 1,600 to Mr. Wentz. All but a comparative few office workers, elevator operators and maintenance men are skilled machine tool operators.

This methodical company increasingly becomes, in turn, a parent company for other subcontractors. But the work it sends out is not on defense orders; it is on things like bakery machines. This is the way it was planned, and it works like a fine watch.

"We have no right, after all," Mr. Wentz points out, "to farm out work on defense orders. But it is possible to send out much of our own normal work. Naturally, we supervise and control that subcontracted work as much as possible."

Labor has been trained

MR. WENTZ does not pretend that his firm is free from problems, but he does feel that the biggest of them is being handled effectively. That is the skilled labor problem. For years, American Machine and Foundry Company has had its own apprentice training program. Under it, a new man is developed into an all-round mechanic in two and a half to three years; a man can become an operator on one special machine in six months to a year.

"We don't believe," says Mr. Wentz, "in putting a man in one place and keeping him there. We shift him around and let him get acquainted with everything we do. At the end of his training he is allowed to choose his own department."

Again for contrast, take a look at Nelson Brothers Metal Ornaments Company, occupants of the fourth floor in a loft building, at 343 Classon Avenue, erstwhile manufacturers of such things as shoe buckles, dress ornaments, and pocketbook frames.

"We produce whatever we can make a living at," reports Ben Nelson, the company president.

Today Nelson Brothers Metal Ornaments Company is finishing metal fittings for parachutes, on contract for the Navy. Things don't run in this plant with the micrometer-like precision of Mr. Wentz's company, Ben Nelson admits.

"We have trouble getting the forgings for these parachute things," he says. "They come in dribs and dabs. All of a sudden there's a shipment and we are busy for four weeks. Then, when we've done them, we wait. The plant stands idle four weeks—and then, finally, more forgings come. So we get four more weeks' work."

Diversification is the answer, Mr. Nel-

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son has concluded, so his plant is also doing finishing work on switches used in airplanes.

In a loft building not far from the Nelson Brothers is the Reeve Electrical Company, since 1872 manufacturers of electrical alarm bells, telegraph keys, and such things. Today, as a subsidiary of the Automatic Fire Alarm Company, it keeps its nine employees busy making water-tight electrical bells for the Navy.

Edward J. Deary, plant superintendent, bemoans the scarcity of skilled machine operators among young fellows these days, worries over the difficulty of getting enough brass, copper and steel, and loves to let the visitor know that Reeves' bells are on ships everywhere.

"Do you know how many bells there are on the 'America'?" he asks. "Four hundred and twenty. That was one of our jobs."

A new destroyer or battleship will use 200 or more, so the Reeve Company is busy. They turned out more than 6,000 for the Navy and Merchant Marine in the past year, and $50,000 worth of work is yet to be done. So far as this firm is concerned, it appears it will be done mostly by middle-aged or old men.

"We find," says Mr. Deary, "that we can only get old men who got their experience years ago or young men wanting to learn the business. It's a gamble whether we can train the young fellows sufficiently to make them useful before the draft gets them."

The oldest of the oldtimers in this 69-year-old firm is 77-year-old Albert Watts, a pink-cheeked, wiry little man who has been with the company 51 years and proclaims that he will never retire.

From a desk piled high with papers and a frequently-jangling telephone, Miss Jeanne Tascarella holds forth as general manager of one of these typical small plants. Her firm is Tascarella Brothers, manufacturers of hospital equipment since the close of the Spanish-American War, prime contractors for the Navy on an order for several hundred portable operating tables, and makers of about $500,000 worth of the same equipment in the World War.

Troubled by material shortage

THIS company, employing 25 persons, occupies two cavernously gloomy floors of a loft building next to a Greenpoint lumber yard. Outside, there is the medley of trolleys and trucks, housewives and pushcart peddlers, small stores and tenements. Inside, Miss Tascarella bustles around worrying about materials, while Anthony Tascarella, 28, her brother, runs the production end.

Miss Tascarella is an amiable, housewifely-looking woman in her late twenties who says she'd rather be married than working and sums up her major problem this way:

Shortage of materials is the worst. We had to lay off about ten men since last week because we ran short of some of the things we need. It has been hard to get stainless steel and aluminum. Now it is even difficult to get canvas. The big firms that have it don't want to give it up to small companies like us and the little firms either don't have it or they are not dependable.

Another small defense firm in the metal-working field is Ferro-Co Corporation, headed by Albert D. Mellor, president and sole owner. The Ferro-Co plant, employing about 100 men, demonstrates what a firm can do that sets out deliberately to diversify its products. Using a fantastic assortment of metal-working machinery, the company makes such varied things as light-proof, X-ray-proof ventilators for X-ray rooms; metal cabinets for sound detector apparatus; mixing turbines; towing irons for hydroplanes and recessed radiators for buildings and battleships.

Mr. Mellor is an ardent exponent of diversification and doing the job the best way. Once the firm got a government order to make a certain metal device held together by rivets. Spot welding looked like the better way, so Mr. Mellor made a sample without rivets and let the government men drop it from a six-story building. They did, and the thing stayed together. He got the job.

Ferro-Co also has difficulty in keeping skilled men.

"You see," says Mr. Mellor, "we are between the Navy Yard in Brooklyn and the airplane plants on Long Island. Our men are seriously tempted to leave after we have done the fundamental job of training them. A few of them have left, attracted by propositions from these companies, but our regular force generally stays on. They know that the jobs will still be here after the defense boom is over. We have a lot of men who have not lost a single day's work all through the depression."

Rugged individualists as all of these people are, they have one thing in common. None of them expects to become a millionaire from working on war orders. None of them expects to make fancy profits for his stockholders. Employees are getting their share, and the Government isn't being gouged, either.

As a matter of fact, none of the 300-odd companies has had a serious strike since the defense program really got under way. One important government agency that has never had to send its emissaries to Brooklyn or to call manufacturers from there to Washington is the National Defense Mediation Board.

How come? With few exceptions these little plants are under family control and management. The bosses know the men. Both owners and employees lost plenty during the depression. Now, they have a chance to recoup a bit. There has been comparatively little inter-company recruiting of employees except by out-of-town concerns. What the situation will be in a year no one can foresee.

Great corporations which have reached the full capacity of their plants are now looking to the little concerns in Brooklyn, as in other communities, for more and more help. They are getting willing cooperation. With neither the big nor the little companies is there any quibbling over money. In the defense emergency, it is not money but men and machines that count the most. The little plants have them, and they are using them for national defense in a truly big way.

This is under no circumstances to be construed as an offering of these Debentures for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Debentures. The offer is made only by means of the Offering Prospectus.

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May 13, 1941.

The Case History of John Smith

(Continued from page 17)

a head. That means that, while the national *per capita* income is $60 below the 1925 level, the *per capita* income in my home has decreased $445.

Still my family's income is 2⅗ times the national average! There is no occasion for sorrow over such a case!

Perhaps not, but we are dealing here with figures not emotions. And, while we are, it must be noted that in normal 1925 my family's income was 3 1/10 times the national average. Thus, if anything, its decline has been above average.

"But," someone may say, "if you did not have three more dependents in 1940 than you had in 1925 your family's income would be above the 1925 per capita average. Surely the Government is not to blame for the increase in children."

Such an argument is easily broken down.

National income did not keep up

CERTAINLY, had the population of my home not increased, its income now would be above the accepted normal. But, equally true, the per capita national income would have been above normal in 1940 if the nation's population had not increased seventeen million since 1925. Furthermore had the population remained static since 1925 the number of children, fifteen years old or younger today, would equal only the number of deaths since 1925. The fact is that the population did increase and the increase in national income did not keep pace. Maybe race suicide should have been made the public policy and practice since 1925. But it has not.

Someone may say that I do not have to send my children to paid prep schools and colleges. That is very true, and yet it seems to me that, in a country dedicated to individual liberty, the Government should not take away my right to educate my children as I please. Moreover, if I—and all who believe as I do—were to send our children to public schools, it would certainly increase the costs of public school operation, make more teachers and more school buildings necessary.

If I speak here for any one except my own family, it is for the middle class family. I cannot presume to speak for the childless or the unwed adults. I suspect that, if I had no children, I would not be too concerned about the future.

However, but for the stagnation brought about by government policies, I would not have to worry even now, because my salary would be at least $15,000 a year. By an understanding in 1927, it was to have risen to $18,500 by 1937. For my responsibilities, that would not be an excessive salary. My employer knows that. I know he would pay it to me if he could afford to.

It is true that, if I had the $4,000 lost in the stock market, some $1.20 a week

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in savings interest would be added to my income. It is true, too, that if I really feel straitened nothing is to stop me from thawing out that frozen $8,000. Sure, I could pull that out and use it! The other investors could pull out theirs, too, make it a liquidation and put 1,000 persons out of employment.

My income has increased $2,500, or 33 per cent, since 1925. Three direct taxes against that income have increased $429, or 760 per cent, since 1925. In federal and state income taxes in 1925 I paid a total of $51. In these same taxes, with the addition of the New York City Sales Tax, I have paid $480 for 1940.

Perhaps I should be thankful that I have an income which calls for the payment of this additional $429. No doubt some of my socialistic fellow citizens would inform me that it is not the function of government to take due note of the fact that most of my increased salary is being used to prepare and train five children to be more useful and productive than I have been. No, mine aren't the kind of children that a government should bother about.

If this record proves that I am feeling the pinch, then how much greater is the pinch on a $1,500 or $3,500 family income?

It stands to reason that the family of three or four, with a $3,500 income, should not be as well off as a family of seven, with an income of $10,000, even though no income taxes are paid on the $3,500 income whereas as much as $500 in income taxes may be paid on the $10,000 income.

Others feel the pinch

I KNOW that, as my position is narrowed, the effects are transmitted to others. To maintain the standard of comfort which it knew before 1934, my family should have a new automobile, a new electric refrigerator, a new heating system, a new radio and about $1,000 worth of new furniture. It cannot have these things unless I go into debt. Therefore, it won't have them.

We won't even have all the old things because the car has to go. It is almost nine years old and costly to operate. There is a state tax of $35, garage rent and upkeep of $250 a year and nine miles to a gallon at 20 cents a gallon. We are giving it up in the fall and, since it won't be replaced, some garageman will lose five weeks' work in the year.

The 16 year old hot-air furnace and the 14 year old electric refrigerator have done their work and merit retirement. But we cannot bring our cellar and kitchen up to the standard of those in the housing projects. Maybe the dwellers there have all these up-to-the-minute appliances because we are compelled to do without them. To me the process seems to run this way:

I can't buy them but they are being made and given to others.

After all, if I am able to support seven of my own why should I object if the Government billets two more with me. The standard of living of the seven naturally will go down a bit. I am sure of that. Presumably the standard of living of the two will go up. Of that, I am not so certain. *Per capita* income does not indicate it.

In discussing as I shall the families within the income range $1,500 to $7,500 in urban centers not unlike New York, I do not have to generalize. I know the poor and the middle class, first hand and for a long time. If I differ at all from my class it is because I persevered in getting an education, and developed an aptitude for a specialized type of work.

These neighbors of mine are mostly minor executives, mechanics, skilled laborers, clerks and common laborers. There are the few exceptions of the $7,500 to $15,000 bracket, doctors, politicians and higher executives. The average family is four in number and it is the rule rather than the exception for the family to have two wage-earners.

When I study two of these families, each having four persons and each having an income of $3,000 I do not have much difficulty comparing them with my one family of seven. Their income is $6,000 against my $10,000. Income taxes, real estate taxes, college and prep tuitions and some miscellaneous items draw at least $2,500 from my $10,000 and do not affect their $6,000. Thus it is a matter of $7,500 for my seven against $6,000 for their eight. The difference is considerable, yet it does not indicate that, in the matter of plain net income, we are so very far removed.

Most of these neighbors of mine do not know what normal national income should be or how far below normal it has been. They don't have to know. They are the living examples of this subnormality.

Most of them do not know that this social security is officially an income tax on certain groups of wage-earners and an excise tax collected from their employers on the exact basis of their wages. The $40 a week clerk across the street from me has no idea that he is buying a promise for some sort of old age security at a price of 40 steak dinners a year for himself, his wife and their two children.

His wife doesn't know this either but she is puzzled at finding the going so much harder although Charley has had the same job and the same salary all through the depression. The truth is that few parents care about this old age security stuff and none worthy of the name would pay for it by depriving his children of any necessity. Yet the agency which has been propagandizing for social security, albeit a different kind from what was inaugurated here, tells us that, under the present act, $2,000,000,000 already has been siphoned from wage-earners and Mr. Baruch has spoken along similar lines.

Again, these people have not thought any too deeply about the shorter hour-higher scale fetish which came in with the depression. Most fathers whom I know would rather work 48 hours at 80 cents an hour than 40 hours at 90 cents an hour. That extra $2.40 a week would mean an awful lot to the kids.

For five years these people had accepted the statements that less work and more debt were bringing them back, and, their memories of 1931-1933 were not permitted to grow dim. As a class

they also have had the virtue, or failing, of being so occupied with their work and their families that they have given little thought or attention to such matters as the theory of oversaving.

Plight of the children

ABOUT three years ago it started to dawn upon them that the goods were not being delivered. The arguments that they were much better off than they had been in 1932 began to lose force.

The greatest factor in causing this awakening was the plight of the children who had come up to working age. This class, which I am discussing, lives for its children. No toil is too hard, no sacrifice too great, if it means the advancement of John or Susan which is why our high schools and colleges are filled with the Johns and Susans.

By the hundreds of thousands, these youngsters were coming into the labor market each year and there was nothing for most of them to do. The apprentices of 1932 were full-fledged journeymen in 1936 and 1940 and, if they were fortunate, were getting two or three days' work a week. The college graduates of 1934 and 1935, if they were fortunate, were office boys or junior clerks at $15 or $20 a week in 1940.

The sight of discouraged children sitting around month after month is something that must be lived with to be understood. These parents understood. They might not be too concerned about themselves going to seed along with their homes and their neighborhoods. But their children deprived of a start in life and the opportunity to make homes of their own! Something must be done about that!

These people are not, as has been said, so dumb. They are long suffering. But they did start something in 1938 and they have continued it. The younger ones, particularly, are on the march.

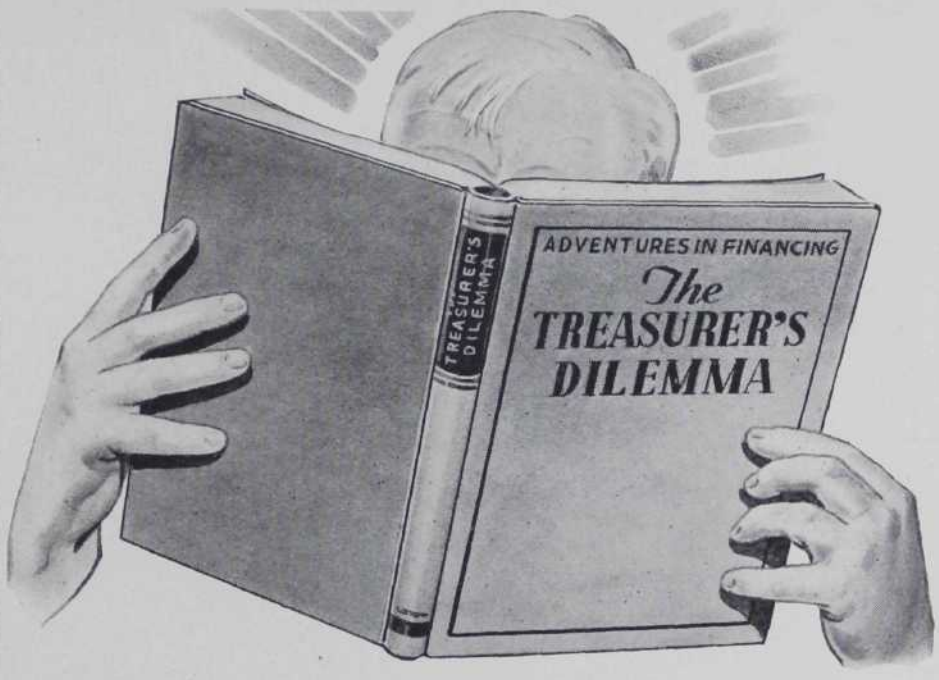
I hope that no note of self-pity has crept into this writing. None was intended. The purpose, with as little digression as possible, has been to establish the record more for a segment of the population than for myself and my family.

Although my material progress has been stopped for ten years I can boast that my mental progress has been rapid in the same period. I have read more and learned more in that decade than in all my previous years.

I am satisfied that I know what has happened and what is happening to bring about this retrogression in the class of which I write. No good purpose would be served at this time in going into, at any length, the causes to which I attribute this retrogression. How may one convince doctrinaires and Positivists who, in the face of facts of the past eight years, persist in the practice of spending the wealth, which our grandchildren are yet to produce, so that "today's incomes" shall be "normal"?

I shan't attempt to change or sway such people. I have better use for my time and energies, employing them to awaken and arouse my friends, neighbors and acquaintances as to where they are heading and why.

GOOD BUSINESS NEWS



Sales in MILLIONS . . . Capital in THOUSANDS

The record of *Harwood Manufacturing Co.'s growth from 1935 to 1940 is another success story for Open Account Financing.

At the close of 1935, the year's operations were summed in these figures:

Working Capital	$ 9,735
Sales	670,065
Net Worth	10,357
Profits	1,485

The executives realized that potentially larger volume was in the offing . . . but didn't see how it could possibly be handled with such meager working capital.

COMMERCIAL CREDIT COMPANY entered the picture at this point. In an interview, one of our officers demonstrated the possibility of increased capital leverage through Open Account Financing . . . showed how money tied up in their receivables and inventory, could be released at will and re-employed at once.

It started as a trial. It became a fixed financing policy.

Five years later, December 31, 1940, and the financial reading was:

Working Capital . . .	$ 37,335
Sales	1,544,611
Net Worth	40,015
Profits	28,655

Sales doubled; working capital and net worth nearly four times as large; *PROFITS multiplied almost twenty times.*

It would have been impossible for this company, with a comparatively modest capital, to handle $1,500,000 annual volume, without a flexible financial program. In this case, our service certainly proved its worth.

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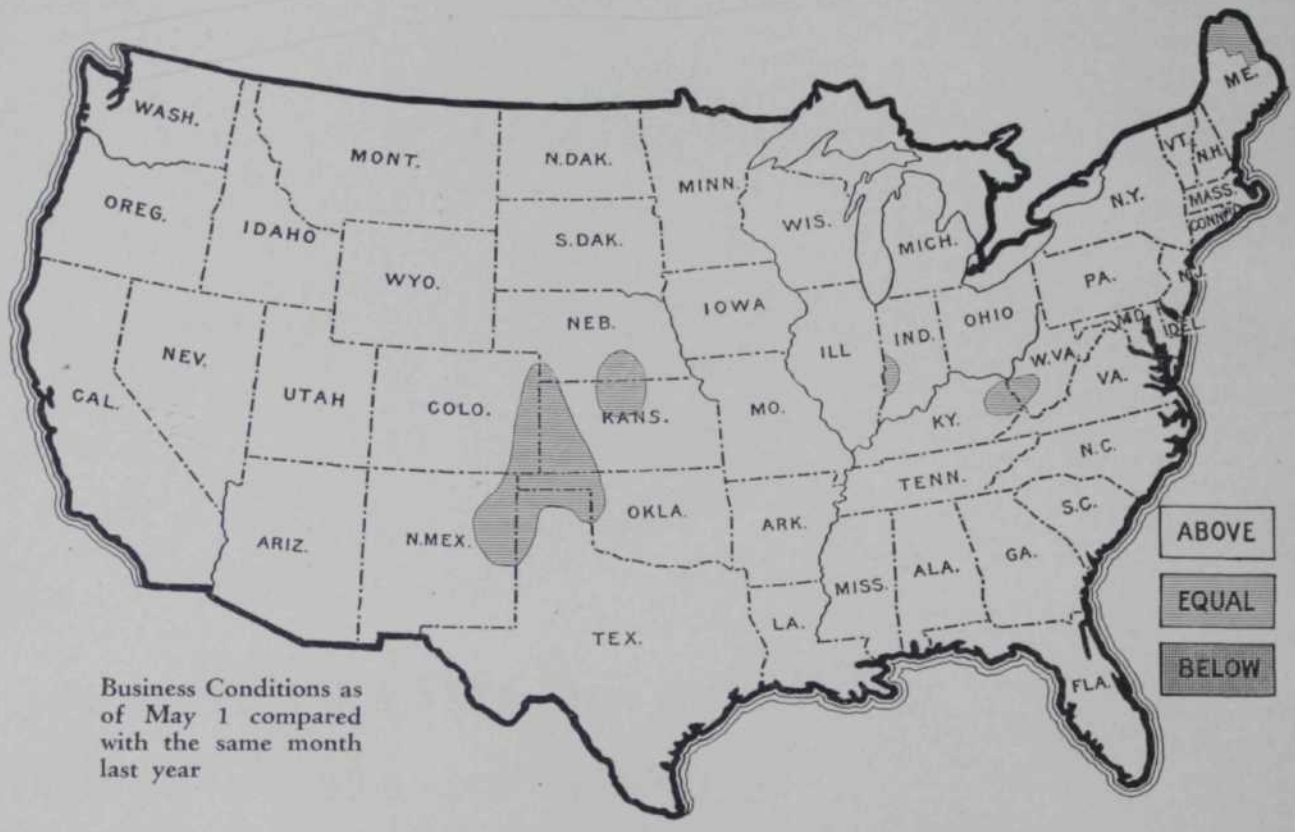
BALTIMORE

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CAPITAL AND SURPLUS MORE THAN $60,000,000

The Map of the Nation's Business

By FRANK GREENE



Business Conditions as of May 1 compared with the same month last year

APRIL was featured by continued absorption of industrial capacity for arms production amid dislocations due to labor disturbances. Coal shortage cut steel and pig iron output to lowest rates of the year, while automobile production fell behind sales demand. Defense and housing construction continued at high levels, with shortages of some building materials. Textile and paper mills operated at capacity.

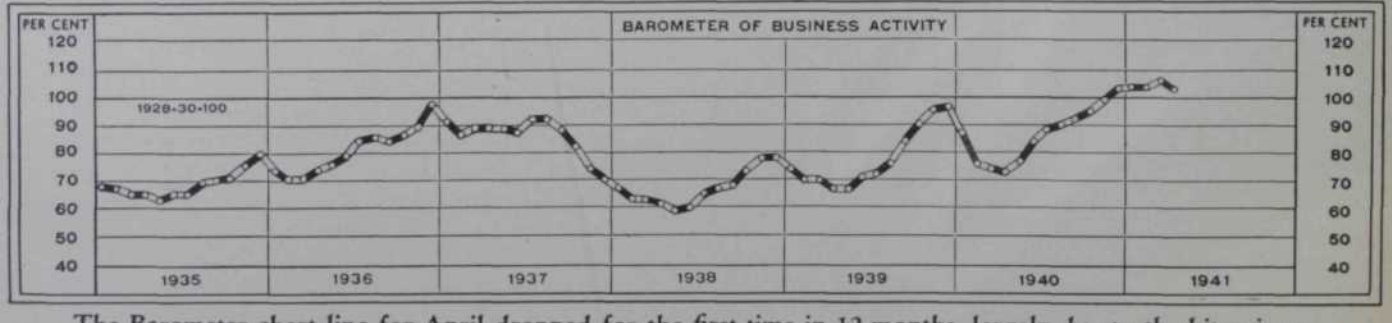
Increased railroad equipment purchases accompanied expanded income, while car shortages developed despite reduced coal shipments. New financing shrank in volume and stock market values receded to new lows since June in dullest trading in 23 years. Electric power production dropped slightly.

Enlarged pay rolls and improved agricultural conditions raised wholesale and retail sales to pre-depression levels. Commodity prices scored rather sharp advances in fluctuating markets. Bank transactions exceeded last year in volume. Business failures were below April, 1940.

A further lightening of the Map reflects the continued improvement in agricultural conditions and prices in the Middle West



The map of last month



The Barometer chart line for April dropped for the first time in 12 months, largely due to the bituminous coal suspension and its retarding effects on national defense production

INSURANCE IS AWAKE TO DEFENSE

ACROSS A COUNTRY of farms and industrial sites, men in insurance support a nation-wide program of defense. They are a civilian personnel, trained during peace to wage *permanent* war against many hazards threatening vital property and industrial progress. Insurance, their calling, is a mainspring of defense, as vital to it as tractors to the soil, as machine tools to metal. To production it is moral solder: assurance that a nation's insurance reserve stands solidly behind the machinist, the millwright, the welder. In this way Insurance fosters teamwork and helps to speed production, thereby strengthening the implements of defense.



The veteran job of Insurance is to reimburse loss and replace when deadly hazards cripple defense machinery.



But Insurance wields another weapon—*Engineering Knowledge*—which eliminates many hazards before they strike.



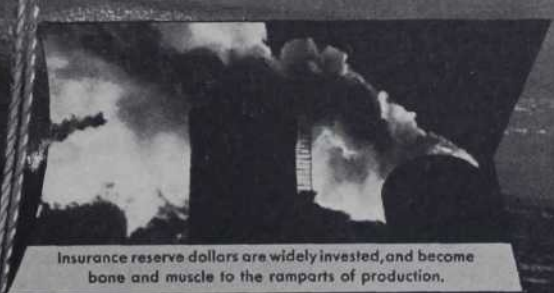
Periodic inspection of plants frequently turns up harmful conditions in time to avert disaster.



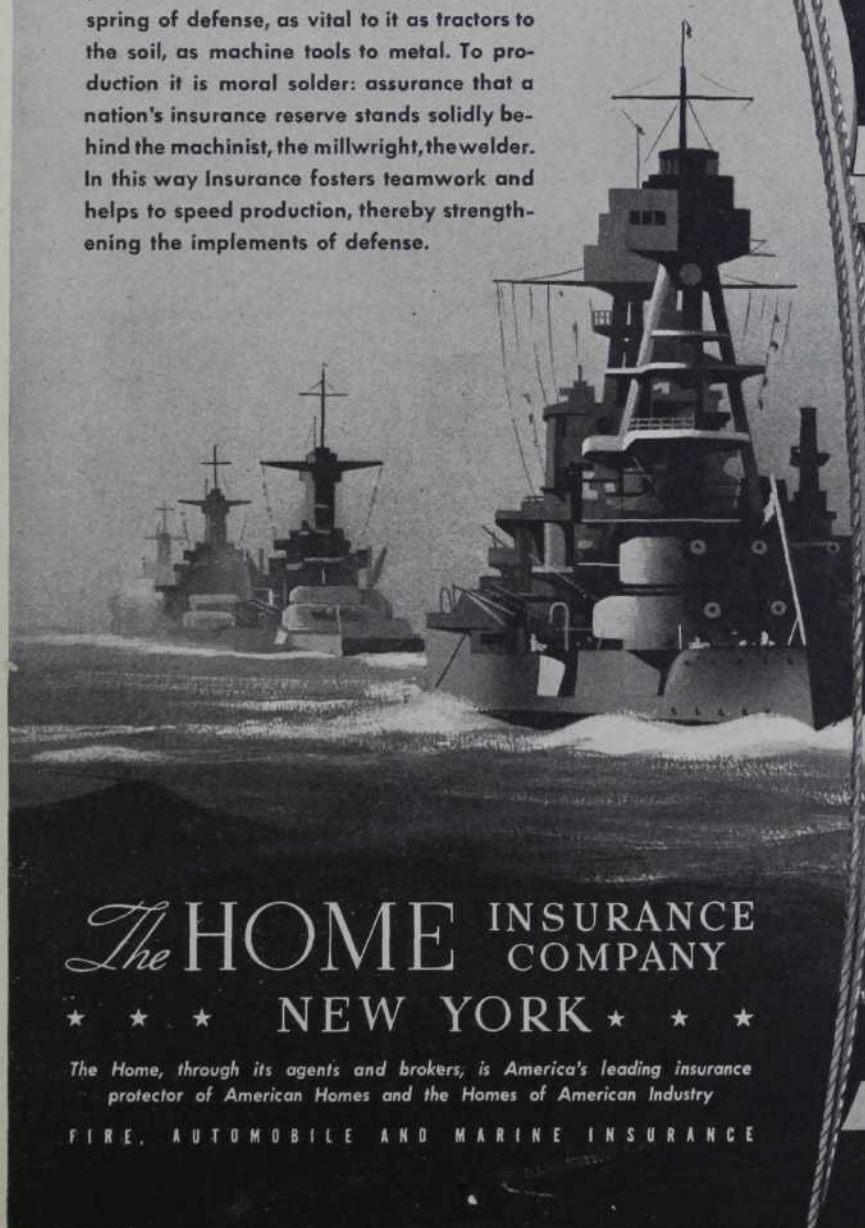
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The Nut They Couldn't Crack

By RALPH H. WEIR, JR.

WITH the intensity of destruction increasing as war sweeps across more countries, military economists turn their eyes once more to a little nut that grows from the shores of the sunny Caribbean to the dense jungles of Brazil. The husk of this nut makes possible the best gas masks in the world. Because of its property to absorb poisonous gases, activated carbon is the important element in gas masks, and the absorption property of the carbon obtained from the cohune nut is ten points higher than any other form of the chemical known.

Hundreds of thousands of these nuts were crushed—not cracked—by rollers in the course of the first world war to obtain cohune shell flour to be used in making activated carbon for gas masks. This method of smashing the nuts ruined the valuable kernel.

Not only in wartime but in peacetime as well, the cohune nut has been the subject of much consideration. The kernel has long been known to have great possibilities. But although the nuts were plentiful their use has been limited because, until a few months ago, no way had been found to crack the nut commercially and preserve the kernel. Now the problem has been met. An American concern has succeeded in cracking the cohune nut.

Native methods were slow

IN THE past the supply of these nuts was wholly dependent upon native methods, which were both primitive and slow. The natives had two methods of getting the kernel. In one of these, the native, sitting down, holds a nut between his feet and, with a machete stroke starting far back of his head, hacks open the shell. By the other method the nuts are placed on a drying floor, where they are left for several weeks; they are then broken open by beating between two stones. A man will thus crack 100 to 125 pounds of nuts a day.

The cohune nut is made of husk, which provides the wood flour; shell, the hard covering that is so difficult to crack; and kernel which consists of a solid, white fat.

The value of the cohune nut's kernel lies in the eatable vegetable oil that it yields, and which is used in the manufacture of oleomargarine and other butter substitutes; cooking and salad oils; mayonnaise; as a flux in the manufacture of tin plate; soaps; cosmetics; candy and bakery products.

Not only the kernel, but also the shell and husk are of great commercial value. The husk yields wood flour that is used as a filler for Bakelite. Denscor (cohune shell flour) is used as a filler in plastic compounds; abrasive soaps; cleansing powders; linoleum; composition flooring; artificial wood, and paints.

The distillates—methanol, acetic acid and tar oils—derived as a result of the carbonization of the shell are used throughout the chemical industry. Demand for the tar fractions is being rapidly accelerated by the development of a new market for these products in the plastic industry.

For the past 50 years continued efforts to crack the nut had failed. Vickers and Krupps concentrated much time and money on the job. Henry Ford's engineers and industrialists gave it up, stating that it couldn't be done without smashing the kernel. Colgate and Palmolive spent much money trying to crack this nut. In 1930, the Dodge automobile people financed a San Francisco insurance man with $1,125,000 to crack the nut. He failed, too.

Four years ago, Karl Jones, President of the Pan-American Shell Corporation, became interested in the problem. After much study, research, and experimentation, he developed a combination chemical and mechanical process by which the kernel of the nut is shrunk away from the shell; a pressure is exerted that strains the shell uniformly, so that, when a blow is delivered to break the shell, the kernel being drawn in, is not smashed.

Now the cohune nut—kernel, shell, and husk—is beginning to make its way in great quantities into trade.

"Fair Trade" Limits

SPECIAL offers in the form of "1-cent" sales are held to be in violation of the California Unfair Practices Act, by an injunction granted in Los Angeles Superior Court against the operators of a food market. This relates to the familiar deal in which an article is sold for one cent in conjunction with other articles. An odd feature of the decision was the Court's stipulation that it made no difference that the combination price was still equal to or more than cost.

The Remora Clue: or Who Held up Relief

(Continued from page 28)

on the grounds of illness. Finally he stopped reporting at all.

Benny's employer next received the routine questions concerning his application for unemployment insurance benefits. Informed by the state agency that his job was still open to him, Benny claimed physical inability to do the work —and was granted unemployment compensation.

The next entry in Volume two of the Relief Bureau record shows Benny back on the relief rolls. His compensation period had run out. Follows the interesting notation of an alert investigator.

"Benny takes the bus for a neighboring city at the same time each day."

The tip was followed and Benny was discovered ushering in a theater . . . Benny was dropped from relief!

Immediately Benny visited the relief offices with a contrite plea. The $4.00 weekly from the theater was an innocent attempt to earn "cigarette money." He didn't realize he was doing wrong. He had given up the job. Benny was reinstated on relief. (A later notation shows that Benny's theater pay actually was $8.00 a week.)

Getting married on relief

WHILE working at the theater Benny had met a girl from a neighboring city. She also was a member of a relief family. The two decided to marry. But Benny was cautious. First he tried to get a guarantee from the Metalville relief office that the name of his bride-to-be would be added to the Remora family relief budget.

The director of relief indignantly warned Benny that not only would he refuse to add another to the Remora budget but that Benny himself would be denied benefits if he should marry until he had found a job and was capable of supporting a wife.

There was a tendency to declare a holiday or at the least to raise a flag when Benny Remora voluntarily called at the relief office to announce that his name could be taken off the relief list because he had gotten a fine job in another city.

Rejoicing was short-lived, however. Record-entry No. 999 lists the application of Mrs. Remora for an increase in allowance due to the fact that she now has Mr. and Mrs. Benny living with her. . . . Additional relief was sternly refused and so Mr. and Mrs. Benny departed from the Remora household.

Quoting words to the effect that "No American shall be allowed to go cold or hungry; without adequate clothing or shelter etc.," Mr. and Mrs. Benny appeared at the welfare office and applied for home relief in their own names. "We're married now, so what? You've GOT to give us relief."

At least, the relief office objected to paying an additional rent. They compromised by adding Mr. and Mrs. Benny to the Remora budget and the young couple went back to live with the matriarch. They decided to celebrate the reunion with a party.

Mrs. Remora, senior, had a relief-fuel order. Another family was willing to buy it at a reduction in value. The deal was consummated and a joyous occasion thus financed. For the rest of the month the home was heated by lighting all oven and top burners of the gas stove. The gas bill, paid by the relief office, jumped from an average of $3 to $12 for the month.

The latest entry in the records of Metalville home relief reveals that Benny Remora is negotiating for hospitalization for Mrs. Benny while she ushers another little Remora into the world.

Mr. Jones has resigned chairmanship of the Employment Committee of the Metalville Chamber of Commerce.

On the day, March 17, when the Remora family observed its ninth relief-anniversary, William S. Knudsen, O.P.M. director, stated that industrial production must be stepped up "by 60 per cent." . . . President Roosevelt repeatedly has stressed the need of the productive labor of all to meet the threat of the totalitarian powers.

Benny Remora is wearing a little American flag on his lapel. He wants a job. Who wants him?

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MEMO *for Busy Readers*

1. Loans help solve problems
2. States assist in defense work
3. An old swindle crops up again

Fresh Facts on Small Loans

FOR what purposes do people borrow money from a small loan company? How much do they borrow? What are their occupations? Answers appear in the 1940 social statistics of Household Finance Corporation.

Money for medical, hospital and dental bills is most common need. For this purpose, 143,062 loans were made, 16.23 per cent of the total. Second most important reason for borrowing is to pay overdue bills. Loans in this category totaled 123,747, or 14.04 per cent. Noted also are loans to pay for clothing, home furnishings, fuel, moving expenses, rent, repairs, and automobile expense. Debtors usually ask loans for these purposes when their creditors are pressing for settlement. Money is required in sizable amounts to pay overdue taxes and insurance premiums, to assist relatives, to pay off mortgages, and for money-making opportunities.

Every occupation is represented. Largest classification includes skilled and semi-skilled workmen, who constitute 41.79 per cent of the total. Office, clerical and other non-manual workers make up the next largest group. Next in rank are proprietors who are in business for themselves. Other classifications include managers, superintendents and foremen; professional persons; unskilled laborers; and some persons with independent incomes.

About two-thirds of the Corporation's 1940 loans were made to those in the $1,200—$2,400 annual income class. Average borrower had an income of $169 a month. Average loan was $168, equivalent to one month's income.

Tax Relief for Defense Jobs

SIXTEEN STATES will follow federal example in granting special tax concessions to defense contractors by allowing accelerated depreciation rates on special defense facilities built or acquired.

Under federal procedure, a defense contractor may get a certificate—from the War Department, Navy Department, the Treasury or the National Defense Advisory Commission—stating that the facilities he proposes to build or acquire are necessary for emergency defense purposes. If the certificate is obtained, the contractor may amortize the cost of the facilities at rate of 20 per cent yearly. Normal rate of depreciation on a $1,000,000 factory building is about 2½ per cent, or $25,000 a year, which is not taxed. The 20 per cent accelerated depreciation rate would raise this untaxed figure to $200,000 annually, allowing the cost of the factory to be written off in five years instead of about 40 years.

"Purpose of these allowances," the Federation of Tax Administrators explains, "is to speed defense production by offsetting risk involved in constructing facilities which might be useless for peacetime production. Effect of the special rates is to reduce corporate income taxes paid by defense contractors." The depreciation allowance is included among deductions from total income in determining the amount of taxable net income.

Among the states which have indicated that similar relief will be made available under their income tax to contractors holding defense certificates are: Arkansas, Georgia, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, New York, Oregon, South Carolina, Tennessee and Virginia.

South Dakota has signified that it will grant the privilege when a specific case arises for consideration. Three other states—Connecticut, Pennsylvania and Vermont—use the net income tax and, therefore, may be listed among the states giving special allowances.

Legislative action may be necessary to make the concession in some states, including California, Maryland and Minnesota. In Utah, the tax commission has recommended that the legislature consider amendments to the income tax which would grant the allowance.

An Old Racket Still in Style

MOSSY "Spanish prisoner" racket still flourishes, now bilks an average of three Americans a week. Haul of swindlers is so sizable that Post Office Department officials are warning business organizations to scrutinize with special care all foreign requests for lists of members

unless good faith of correspondent and legitimacy of purpose can be definitely established.

A typical procedure of the swindlers follows: Under assumed trade names classified lists of names and addresses of business and professional people, manufacturers and others, residents of the United States, are obtained and circularized, the mailings running 10,000 to 15,000 pieces a month. Recently, most of the come-ons have borne the postmarks of Mexican cities, although some mailings have been made in the United States. The letters to addresses, inviting participation in the scheme, and giving detailed specifications for its execution, are virtually identical in language.

The letters are worded to induce the addressee to come to Mexico and advance the money to obtain the release from the penitentiary of an alleged bankrupt prisoner, and to aid his alleged daughter. For the money the intended victim is told he will be rewarded by receiving "the one-third part" of $300,000, of which, it is represented, $285,000 has been placed in a secret compartment of a trunk stored in an American Custom House, and $15,000 has been deposited in an American bank. Fictitious names and addresses are given of the person to meet. Replies from the intended victims are collected from the various addresses, taken to headquarters of the gang, and suitably answered.

Once in the net of the swindlers, the victim is quickly and expertly pressed to hand over his money as the only means to assure immediate satisfaction of his interest. If the victim becomes suspicious and seeks to delay the proceedings to make further inquiry or to escape the toils of the promoters, robbery by violence is a likely consequence, the Post Office Department warns.

Chief official preventive measure is denial of the use of the mails to promoters of the scheme as fast as their names can be definitely ascertained through letters received by prospective victims and by report of persons actually defrauded. Persons receiving letters of the sort indicated should turn them over to the local Postmaster. Recent investigations by Post Office inspectors have resulted in the conviction of two of the offenders for use of the mails to defraud and conspiracy, with each defendant sentenced to serve six years in the penitentiary and to pay a fine of $2,000.

GE's "Maggie" Is Science Martyr

UNUSUAL creature known as "Maggie" spent winter on roof of General Electric factory in Bridgeport to test efficacy of automatic electric blanket. Maggie is a dummy stuffed with straw, but by means of a specially designed suit of long underwear, her body has temperature characteristics approximating those of a human being in sleep.

Underwear is similar to garments designed for aviators flying at high altitudes. Heat is produced by low-voltage electric current supplied through insulated copper wires sewed in parallel waves to give utmost flexibility to the underwear. Maggie's underwear is also constructed on same principle as the automatic electric blanket which General Electric has been developing and testing for several years. Chief purpose and virtue of this blanket is to assure comfort and protect health by automatically providing a uniform bed temperature, regardless of fluctuating room temperatures.

Because it is automatically controlled, electric blanket relieves body of job of compensating for changing temperatures, whether higher or lower. Amount of heat supplied to the blanket by electric current is regulated by a thermostat in a control box placed beside the bed. User selects the most comfortable temperature by a dial on the control, thermostat maintains that temperature regardless of outside temperature changes.

Nazi Conquests Stir Trade Quiz

GERMANY'S control of almost all of continental Europe raises question of Europe's self-sufficiency under New Order planned by Axis countries. Since beginning of the war, trade of the Continent has turned inward. Customs barriers have been leveled by the German conquest. New trade treaties have sprouted like mushrooms since intensification of British blockade. These facts, the National Industrial Conference Board asserts, are significant because Dr. Walther Funk, Reich Minister of Economics and president of the Reichsbank, is preparing plans for economic reconstruction of Germany and other European countries after war's end. Current ideas include economic organization of Europe on regional principles, with the Greater German Reich the dominating political, economic and financial power. The European Continent, under projected New Order, must satisfy all essential requirements from its own resources and from those of geographically accessible countries.

Before the war, the Continent was far from self-sufficient. It was a net importer of foodstuffs and raw and semi-manufactured goods; a net exporter of manufactured articles. Only seven nations, excluding Russian-controlled countries, were self-sufficient in foodstuffs. Net imports totaled $2,257,000,000 in 1935, principally foodstuffs, raw textiles, fuel products, metals, rubber, tobacco and fertilizers. These deficiencies, the Conference Board study concludes, are not likely to be easily overcome.

In 1938, European imports were about 56 per cent of world imports. About half the imports were credited to imports made by European countries from other European countries. European market provided an important outlet for goods of many countries outside Europe. Continental Europe alone absorbed approximately two-fifths of total exports of Argentina, Brazil and Egypt; nearly a third of those of Chile; a quarter of those of the Dutch East Indies, the United Kingdom, Costa Rica and the United States; a fifth of those of Colombia, Mexico, Australia, India, and British Malaya.

Total United States exports to Europe in period 1936 to 1938 were about two-fifths of total United States exports. Continental Europe, excluding Russia, imported a fourth of total United States exports. Raw cotton, petroleum and products, machinery, automobiles, and copper accounted for almost two-thirds of United States exports to Europe.

Used Cars Are Defense Asset

IDEA that a new automobile is a "must" in the American standard of living is jolted by the petroleum industry's tax experts concerned with mounting cost of government as deterrent to car ownership and operation. Most motorists have never owned a new car. In the past ten years, sales of used cars have outnumbered sales of new cars two to one. About one-third of all vehicles ever manufactured in this country are now in regular operation. It is primarily for this reason that value of the average car in operation approximates only $200, a value only four times greater than the annual automotive tax bill averaged per motor vehicle.

In the "horse and buggy" days, absence of adequate and economical transportation made it impossible for a workman to live outside city or industrial center where he was employed. Through use of the automobile, housing congestion has been relieved, living conditions improved by resulting diffusion of population.

For hundreds of thousands of working men and their families, a low-priced, second-hand car is sole means of recreation, says the *Tax Economics Bulletin* of the American Petroleum Industries Committee. Qualifying that conclusion is fact that business comes before pleasure. According to the U. S. Public Roads Administration, about 55 per cent of the passenger car travel on the highways is strictly for business purposes, family and commercial. Merchants, farmers, and salesmen regularly depend on their cars for livelihood.

In fulfilling defense program, the automobile has become particularly valuable. Shortage of housing and labor in centers producing defense materials requires assembly of skilled industrial workers from distant places. Transportation of these workers to new jobs by private automobile has solved problem in remarkable degree. Instances of workers driving back and forth to work on a daily round trip consuming four hours are reported.

"Cheque" Idea Broadens Use

BEGINNING ITS fifty-first year of Travelers Cheques service, American Express Company is preparing to extend accommodation to new domestic uses. Domestic buyers now constitute 75 per cent of all cheque purchasers. Wider distribution will include scheduled delivery of cheques to tourists and vacationists at specified places on travel routes. Expansion is expected to facilitate travel through western recreational regions deficient in banks. Company's "blue money," it is believed, will become ready money when presented to park managements and hotels, transit and terminal offices.

For week-end resorter, promotion

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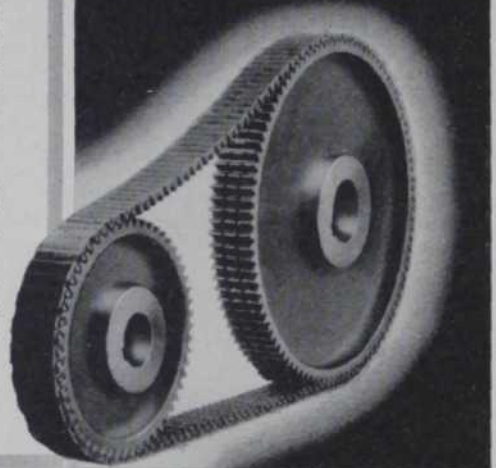
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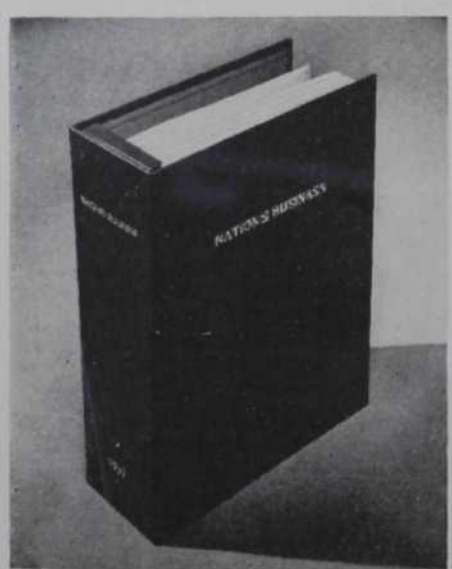
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plans will direct attention to hours saved for recreation; safety and absence of money worries; freedom from old bugaboo of Sunday overspending with the Sunday night home departure complicated by search for friend or regular guest to endorse or identify at hotel checkout.

Experience of more than 3,500,000 week-end resorters to Atlantic Coast resorts convinced company that use of Travelers Cheques will add millions of hours of pleasure to two-day holiday period, will save much of time lost in various financial transactions reverted for extension of actual vacationing.

Waste Salvaged by the Carload

"WASTE" metals and materials conserved throughout Buick plants totaled last year more than 244,000,000 pounds. Mostly metals, this scrap pile grew from the lathes, forges, presses and other operations, was turned back into useful channels of industry with minimum of loss.

Recovery of aluminum, lead, tin, zinc, copper, antimony and nickel, important defense materials, was 100 per cent. Even exhaust steam, from power lines serving equipment, is used and re-used and then returned to power house to be reclaimed as water. A total of 280 carloads and 65 truckloads of salvage material are shipped monthly, exclusive of interfactory shipments to Buick plants, principally the foundry, where specified types of metal are reused in the manufacture of castings.

Plant wide system of collection and reclamation in use requires hundreds of pieces of equipment, including inter-factory tractors and trailers for transporting materials to main salvage building, a specially constructed conservation plant serving the large engine and axle plants; conveyor systems and special machines for sorting and reducing scrap materials to necessary alloy specifications and handling size.

Sources of valuable salvage within the plants include 70 separate classifications ranging from huge drop forge bases which may be cracked or otherwise defective, to mill scale off for forgings approximating pure iron and even cardboard cartons and mixed baled paper.

New Army Is Rubber Shod

RUBBER heels for field shoes is now standard Army equipment. Not a single pair of regulation shoes issued in the World War used rubber.

In 1940 the Army began buying shoes with rubber heels for enlisted men. Sailors of the United States Fleet have been using rubber-heeled shoes for some time.

War Department orders for 2,500,000 pairs of new field shoes specified rubber heels for the entire lot; 550,000 pairs are to be supplied with combination rubber and cotton soles as well. Tests at Goodyear Tire & Rubber Company's factories show that rubber will outwear even the rugged hobnailed shoe of the first World War, make hiking easier as a result of additional cushioning for the feet, reduce cost of the shoes.

Blinds Lead the Way

By TOM MURRAY

AN ADVERTISEMENT appeared in the *Virginia Gazette,* published at Williamsburg, Va., on January 11, 1770, stating that "Joshua Kendall, house carpenter, makes the best and newest invented Venetian and sun blinds for windows; they move to any position so as to give different lights, they screen from the scorching rays of the sun, drawn up as a curtain."

No doubt, that was the first introduction of Venetian blinds to the United States. Patent office records disclose, however, that the earliest American patent for a Venetian blind was issued on June 4, 1850, to a person named Bohrer. Today there are hundreds of patents on blind mechanisms, rails, slats, etc.

Down through the years, Venetian blinds, mostly crude types with unreliable mechanisms, found their way into a few homes but spent most of their time flapping against the stately windows of courthouses and other government buildings but, about 1928, the Venetian blind began to find itself in a big way. It was like the awakening of some Rip Van Winkle but, when the Venetian blind did wake up, it started going places.

Increasingly popular

TODAY thousands of homes, office buildings, hospitals, government structures, schools, churches and stores are dressed, so far as windows are concerned, with Venetian blinds and factories throughout the United States can point to huge backlogs of unfilled orders.

Ten years ago there were about 300 active Venetian blind manufacturers in the United States. Today there are approximately 3,500 going plants with a daily capacity of no less than 175,000 blinds.

Ten years ago Ft. Worth, Texas, had one plant. Today the city has seven active factories. Los Angeles, ten years back, had eight producers; today it has 20 or more. Thus it goes all over the country.

Millions of feet of lumber go into Venetian blinds annually, the present popular woods being Basswood, Redwood Cedar, Incense Cedar, Pondosa Pine and Magnolia. Many large lumber mills have set up special divisions to handle the demand for this particular product. Lumber is used for slats, head and bottom rails.

Recently the metal slat, in various colors and types, has entered the picture and bakelite, aluminum and several other materials are also bidding for a share of the business.

A number of leading lumber concerns launched a national advertising campaign boosting wood for Venetian blinds. Their slogan is:

"Only Wood Blends With Wood."

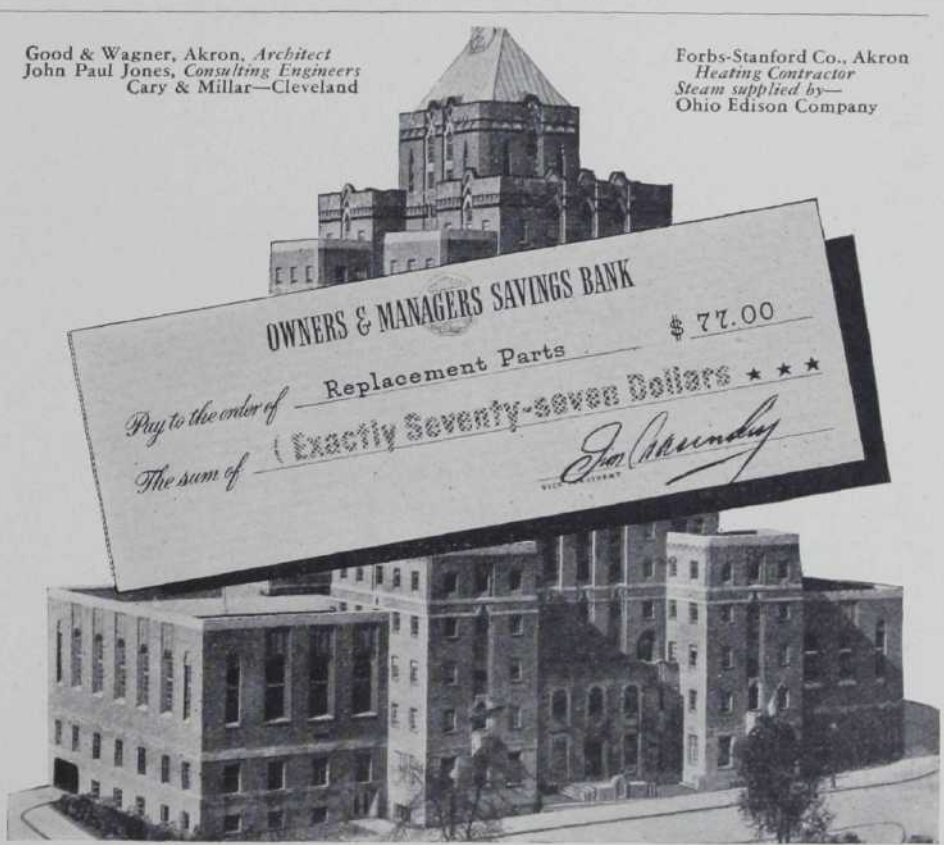
Approximately 20,000 dealers throughout the United States sell blinds, both custom and made to order.

Manufacturers of webbing and cord used in Venetian blind construction say that sales in that particular division of their plants have increased 60 per cent since 1930.

Venetian blind laundries are being established all over the country. Blinds can be sent to the laundry just like shirts. Reconditioning service is available for blind users in every city of any size, and just recently a large factory opened in Dallas for the sole purpose of making Venetian blinds for automobiles.

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John Paul Jones, *Consulting Engineers*
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They Dammed the River Styx

(Continued from page 25)

carelessness. The third suffered a broken leg when a steel beam tipped over. This was properly attributable to construction hazards, but even this one would have been avoided had the beam been laid on its side as the men had been instructed—another case of carelessness.

The other building, seven stories, was built in New York City for the Aetna Life Affiliated Companies. The work required 175,000 man hours of labor but did not cost a single life or a permanent disablement.

Naturally, these insurance companies were striving for perfection. Were it not for the God-given human right of carelessness, both would have realized an accident free performance.

Hazardous industries made safe

IN THE petroleum industry the record of the safety engineers is particularly brilliant. Over a 12 year period, the accident rate was reduced more than 80 per cent and the severity of accidents was nearly halved. The result is even more striking when the 31 per 100,000 workers killed annually in this industry is compared with the national average of 71 fatal accidents per 100,000 of population.

In 1927, the petroleum industry employed 90,000 workers. Twelve years later the figure was 316,000. Yet the number of accidents and fatality rate have constantly declined. This is the miracle of the safety engineers.

It may have been a selfish motive which induced industry to institute safety measures—selfishness usually is the motive for most constructive endeavors—but the benefits to the average working man, the family wage earner, are as great, if not greater, than those to the employer.

A few years ago, it was not uncommon for the family wage earner to be carried home breathing the pungent odor of medicaments. For weeks and months the family struggled along on his compensation while a mother tried to care for the family by day and be night nurse as well.

The safety engineers have protected thousands of homes from such misfortunes. The eyes, fingers, legs and toes of workers are guarded as completely as science makes possible. Thus, many possible accidents never happen while those that do usually cause only a slight injury without lost time.

Industrial accidents also were a financial burden to American business. United States Bureau of Labor statistics show that today $240,000,000 is paid annually as compensation to injured workers in addition to $72,000,000 for medical aid and hospitalization. This total cost, $312,000,000, is the result of approximately 2,100,000 compensable injuries, an average of $148 for each injury. Legal and administrative costs raise the average to $246 for each injury.

Twenty years ago the figures must have been astronomical. In a ten year period, the steel industry alone reduced the number of accidents more than 70 per cent and the severity of accidents by a third.

Furthermore, this $246 represents only the amount actually spent for medical attention, hospitalization, compensation and cost of administration. The total cost to employers is much greater; five times greater, according to some estimates.

For example, an electrician set up a ladder to repair an overhead junction box. Standing on the top platform, he leaned heavily against the screw driver he was using. When the tool slipped, the ladder overturned and the employee suffered a broken leg. Medical costs and compensation totaled $305. That was the least part of the expense to the employer. As the ladder fell, it struck an instrument panel, damaging gauges and other mechanical equipment to the extent of $730. Then, while the electrician was recovering, another man was employed at a cost of $180. With the addition of $30 miscellaneous expenses, the accident cost the firm $1,245 without including legal expenses.

But, if industry's motive is selfish, it is a virtuous selfishness which benefits workmen, the individual firm and the consumer. The consumer ultimately pays, of course, the cost of industrial accidents in the higher prices charged, so any reduction of this expense results in a lower price to the consumer.

A large oil company, for example, found that accident costs in 1918 totaled $175,000. Through intensive work by safety engineers, this cost has been reduced to $14,000 annually with more than half of this amount being spent for maintenance of a first aid room and salaries of a doctor and nurse. Had the cost of accidents increased since 1918 in direct proportion to the increased use of gasoline, oil and lubricants, the consumer would pay a much higher price for these products. In this industry, safety measures have certainly benefited the consumer and probably have contributed something to profitable operations.

Safety yields double profit

THE most unusual case of safety contributing to profit happened in a Chicago gasket manufacturing company. The firm operates several hundred punch presses and, for some time, had a normal number of accidents for this type of work. The plant safety engineer finally designed a safety device for the presses which proved so successful that the firm patented the device and now manufactures it for other firms.

Despite the tremendous efforts of the safety engineers, the human cost of industrial accidents is still appalling. The American Optical Company estimates that 2,000 eyes are lost each year at a cost of $37,000,000 in medical expenses and compensation. The average eye in-

jury costs $343. Practically all of these injuries could be avoided if safety goggles were used wherever there is danger of an eye injury.

Accident prevention in industry has now enjoyed a formal existence of slightly more than a century. In 1833, Great Britain enacted a law prescribing certain hours of labor, and established a system of factory inspection including provisions requiring the removal of accident hazards. The first state to follow this example was Massachusetts where a similar law was enacted in 1877.

These laws improved working conditions but no great progress was made in accident prevention until industry began to investigate the costs of accidents. What the accountants found gave impetus to a system of industrial safety, the establishment of safety departments and the training of safety engineers.

Today, because of the work of safety engineers and the cooperation of business men, workers in many industries are safer at work than in their own homes.

Sabotage will be detected

IN RECENT months the safety engineers have become aware of a new hazard: the work of the saboteur. Their job in this field is even more important than that of the police or the F. B. I. Government agents who can only investigate the record of men employed in key defense plants and track down those who have committed crimes. Neither of these functions, unfortunately, will protect a plant from harm. That must be done before trouble occurs.

Many saboteurs can offer a clear record at the time of employment; those who cannot may accomplish their purpose before the record can be investigated. The safety engineers will probably detect a plan of sabotage at the scene, or workmen coached by the engineers will discover it.

The safety engineers recognize the conditions which may result in injuries to men or damage to property and equipment. Ordinarily they must contend with machines and human carelessness, a difficult problem itself. Now they must be alert to additional hazards conceived and deliberately executed by human minds.

When inspecting a factory, the safety engineer must consider the possibility that a cunning human mind may be devising means to interrupt production by damaging equipment, injuring workmen, or both. In his ordinary work, he is concerned only with accidents; now he must anticipate deliberate "accidents."

In World War days, timed incendiary bombs burned ships and warehouses, explosions damaged munitions plants, arsenals mysteriously blew up—everything was done to impede the war effort. In another war, these and many more accidents may be expected, because many of the discoveries of the past 23 years which were designed for better living are easily adapted to destructive purposes.

It Total War is unleashed, everything will be done to destroy human life whether the victims are soldiers or non-combatants. Bridges will be wrecked, transportation disrupted, water contaminated, homes and cities leveled. But the enemy will concentrate particularly on factories. Turbines and electric armatures in key factories will fly apart without apparent cause, automatic sprinkler systems will refuse to function when needed, power plants will fail, grease will damage friction surfaces and, of course, abrasives will be introduced into lubricants.

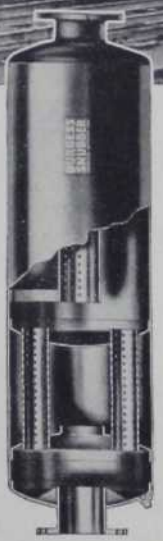
Some of the saboteur's work will succeed. But the record of the safety engineers in the past is assurance that many "accidents" will be avoided. The saboteur can only hope that one of many plans will work, but finally he may become so desperate that detection will be simple.

In the safety engineer, he is opposed by a graduate mechanical or civil engineer whose academic knowledge has been broadened and tempered either as the safety supervisor of a large plant or as a safety inspector for a carrier of workmen's compensation insurance. The saboteur, hurriedly instructed and poorly equipped mentally, faces tremendous odds.

The safety engineers are fellow graduates with those others who must supervise the manufacturing of war implements as they do the products of more peaceful times, who must direct the construction of roads and pontoon bridges for the movement of troops and prosecution of war. But the safety engineers in war will be among the few struggling to preserve rather than to destroy human life.



Two Waukesha-Hesselman engines in Illinois Central's quiet new rail car "Illini" use Burgess Snubbers.


Snubbing chambers of Burgess Snubbers prevent exhaust noise.

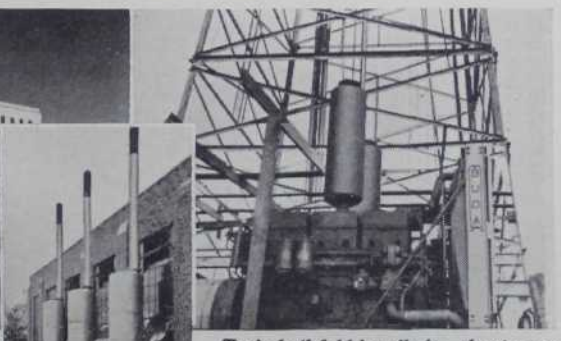
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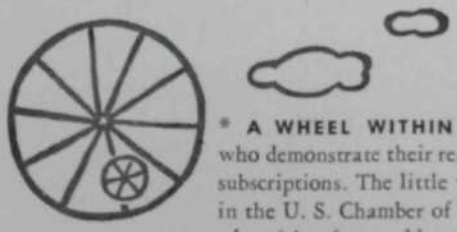


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